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PAKISTAN
Squatters build 'parallel state'
Page 4

World News

Peking puts hardliner in Hong Kong as new envoy

Zhou Nan, one of China's top Foreign Ministry officials, with a reputation as a tough negotiator, has been appointed Peking's top man in Hong Kong where he will head the local branch of the Xinhua News Agency, China's de facto embassy. Page 4; picture, Page 12

Britain-ANC ties
The British Government appears set to end its ban on ministerial contacts with the outlawed African National Congress of South Africa with a meeting between Douglas Hurd, Foreign Secretary, and Walter Sisulu, the released ANC leader, likely later this month. Page 12

Pentagon shake-up
THE US Department of Defence announced a shake-up which would scrap 42,000 jobs and aim to save $39bn over the next five years. Page 12

Mexico accuses NBC
The Mexican government has accused NBC television of slander and distortion following the network's much-touted mini-series "Drug Wars" depicting the torture-murder of a federal drug agent in Mexico. Page 5

Cambodian unrest
Warring factions in the Cambodia civil war stepped up their military and propaganda efforts to exert maximum leverage in advance of the meeting of the UN Security Council to discuss the crisis. Page 4

Orthodox appeal
The Russian Orthodox Church appealed to the Pope to urge an end to violent acts by Uniate Catholics in the Ukraine. Page 2

East European aid
A high level European Commission trip to East Europe today marks a further intensification of Community efforts to help the ailing economies of the region. Page 3

Albanian emergency
A Yugoslav newspaper claimed a state of emergency had been declared in Shkoder, Albania's second largest city.

Space shuttle leak
The five-member crew of the space shuttle Columbia were forced to drop all routine experiments to mop up water from a leak in an air cleaning filter.

Peace at the Post
Journalists at the Jerusalem Post, the troubled English-language Israeli newspaper, have removed their threat of a strike after receiving assurances on editorial independence. Page 4

S Africa education
A South African minister ruled out any possibility that the country's school system would be desegregated under the current National Party government. Page 4

US drug penalty
William Bennett, co-ordinating the US assault on illegal drugs, has drafted a strategy advocating the death penalty for drug barons even if murder is not involved, government sources said.

Saudi human rights
Saudi Arabia rejected allegations of human rights abuses alleged by Amnesty International. Page 4

German spy trial
Three West Germans went on trial charged with spying after allegedly passing secrets from Western computer systems to the Soviet Union.

Business Summary

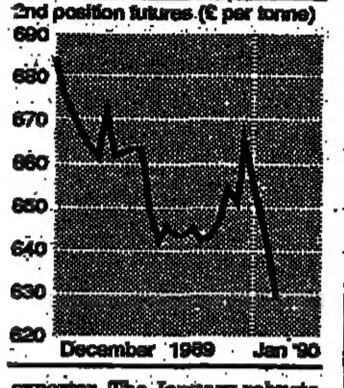
Thatcher concerned over growing pay awards

The UK Government admitted its growing concern that escalating pay awards could pose a serious threat to its economic strategy.

Mrs Margaret Thatcher, the Prime Minister, described recent increases in wage costs throughout the country as "very disturbing" and outlined at length the unfavourable comparisons with trends in Britain's major competitors. Page 12

COFFEE prices closed at fresh 14-year lows as traders sold into the market to hedge recent large purchases of robusta coffee from Cameroon, a fairly large West African exporter. The January robusta contract on the London Futures and Options Exchange traded as low as £591 ($975) a tonne before recovering to £606 a tonne at close, a fall of £12. Commodities, Page 24

Coffee
2nd position futures (£ per tonne)



JAPAN is stepping up its campaign against anti-dumping actions by the European Community. Page 5

BRAZIL'S Central Bank has tightened controls over currency transfers abroad to prevent a possible run on official reserves before President-elect Collor's inauguration in March. Page 12

TOYOTA is to take a staged, 51 per cent stake in Toyota (GB), its Inchcape Group-owned British distributor, over the next eight years. Page 13

CZECHOSLOVAKIA plans to redraft its law covering joint-ventures with foreign companies as part of a thorough overhaul of legislation dealing with inward investment, according to western industrialists. Page 5.

CAR manufacturers, distributors, and many European countries are illegally hindering EC consumers from importing cars from anywhere in the EC, according to the Bureau of European Consumers Unions. Page 2

DEFENCE: Joint venture between the missile systems businesses of Thomson-CSF and British Aerospace received approval from the French Government. Page 2

HONG KONG toy companies are becoming more reliant than ever upon China as a base for manufacturing, despite the political uncertainty following the democracy movement crackdown. Page 5

VICKERS, engineering, defence equipment and luxury car group, paid £9.1m ($15m) to take control of Italian luxury powerboat builder Cantieri Riva. Page 13

BOND: Max Christmas, Brisbane property entrepreneur, is seeking to buy Alan Bond's Queensland brewing operation, producer of Castlemaine XXXX lager. Page 14

CAMPEAU: two US department store groups owned by Campeau Corp expect to suffer after-tax losses totalling more than $1.7bn over the next five years, according to a document filed with the US Securities and Exchange Commission. Page 13

"My personal fate is linked to this choice. The two states must live together." Mikhail Gorbachev pleads with the residents of Vilnius after the local Communist party decided to split with Moscow and press for Lithuanian independence.

Gorbachev warns Lithuanians his future is in the balance

By Quentin Peel in Moscow

SOVIET President Mikhail Gorbachev yesterday warned that his fate was in the balance in the face of a massive demonstration of support for the outright independence of the Baltic republic of Lithuania and nationalist unrest in the far south.

Up to 200,000 people stood in silence for 15 minutes in Cathedral Square, in the centre of Vilnius, to mark their determination to leave the Soviet Union, Mr Gorbachev argued with his own Communist party comrades not to back the secessionist movement.

He repeatedly urged the people not to break away but to give his perestroika reforms a chance to transform both the Soviet federation and the ruling Communist party into genuine forms of power-sharing and co-operation.

"We have embarked on this path, and I am the one who chose it," he said. "My personal fate is linked to this choice. The two states must live together."

He also gave an unmistakeable warning of the danger of a Russian nationalist backlash against the demands for independence from the country's non-Russian republics.

"You think it is so simple," he told the crowds that thronged the streets of the Lithuanian capital to greet him.

"Yet the slightest violation in Estonia or Moldavia [where local nationalist movements have aroused a strong Russian backlash] spills over into the rest of the country."

His words came as fresh nationalist challenges to Moscow came from the southern republics of Georgia, Armenia and Azerbaijan.

In Armenia, the republic's Supreme Soviet openly challenged the Soviet President, voting unanimously for the right to veto national legislation.

In Azerbaijan, demonstrators in the city of Lenkoran on the Caspian Sea seized headquarters of the Communist Party and police, protesting at the failure of the Government to control open rebellion by Armenians in the territory of Nagorno-Karabakh.

In Georgia, nationalist leaders called for a campaign of civil disobedience and blockaded the offices of the ruling party.

In Lithuania, the solemn demonstration outside the city cathedral – handed back to the Church by the ruling party barely a year ago – appeared to confirm overwhelming support for secession in the 3.5m-strong Baltic republic, and backing for the Lithuanian Communist party in its decision to break away from the Soviet party.

The revolt spread yesterday to neighbouring Latvia where the Supreme Soviet voted by a large majority to drop the constitutional clause enshrining the party's leading role.

In Vilnius, only the wet flapping of national flags – of Lithuania, neighbouring Latvia, Estonia and Belorussia – broke the long silence after the speeches, as the crowd stood clutching candles in the dusk. Then they burst into national songs, as Roman Catholic churches throughout the republic held masses for the nation.

Speaker after speaker backed outright independence. Mr Justas-Vincas Paleckis, ideology secretary of the Lithuanian Communist party, said: "No one can stop our march to independence."

Yet Mr Gorbachev, surrounded by excited crowds in Central Square, formerly Lenin Square, insisted that economic and political independence was possible within a radically reformed Soviet federation.

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Battle for religious freedom, Page 2; Putting the jigsaw back together, Page 10

Modrow insists on security force

East German Prime Minister Hans Modrow (right) yesterday insisted that he would establish a new security agency despite opposition threats to withdraw from the Government's round-table talks. However, the Communist PM also attempted to defuse the crisis by offering opposition parties "direct" participation in a coalition government. He also invited opposition participation in a proposed Economic Committee comprising state company directors, economists and political groups. Page 12

East German group pays $35m for control of US company

By David Goodhart in Bonn

A LEADING East German industrial group, Kombinat Polygraph based in Leipzig, has become the first East German company to buy a company in the US.

Polygraph has spent about $35m acquiring Royal Zenith of Great Neck, New York, a trading and marketing company in the print industry, so bucking the trend for western capital to flow east.

The West German Bayerischen Hypotheken Bank, based in Munich, which has lent Polygraph $25m to complete the deal, explained that Polygraph wanted to expand its sales of printing machinery in the US where it already sells nearly one-fifth of its entire annual output.

The deal draws attention to the fact that despite the shortcomings of East German central planning, and today's rapidly deteriorating economic situation, the country still boasts a large proportion of the small number of East European companies able to compete in Western markets.

In addition to Polygraph's printing machines, the optics group Carl Zeiss-Jena has long been active in several Western markets as have producers of machine tools and other investment goods. Since the political upheaval in East Germany, some West German businessmen have also begun to consider the potential of East Germany's software industry and of its sophisticated gene technology sector.

As the Berlin Wall crumbles, industrial co-operation between the two Germanys seems ready to flourish in areas ranging from tourism and transport to chemicals and computers. However, current experience illustrates that the welding of capitalism and communism brings problems as well as opportunities. Putting the jigsaw back together, Page 10

Coincidentally, it was also announced yesterday that East German researchers would be reversing the normal relationship and handing out advice to their West German counterparts on how to extract heat from the earth. An East German geothermal research company based in New Brandenburg has been invited to offer assistance to local authorities in Lower Saxony, West Germany.

"We will try to apply some of our experience to the Federal Republic," said Mr Reinhold Wornien, managing director of the company which employs 820 people, half of them scientists.

Another East German-West German joint venture was announced yesterday between the East German electronics giant Robotron and the West Berlin firm Data-Print. The joint venture, one of only a handful to be signed to date, will develop new data processing products.

Mexico reaches agreement on credit package

By Richard Johns in Mexico City and Stephen Fidler in London

MEXICO and its leading creditor banks have agreed on the final shape of a critical debt agreement after nine months of negotiations.

The accord is the most significant so far under the debt initiative launched last year by Mr Nicholas Brady, the US Treasury Secretary, shifting the emphasis towards reduction of problem debtor countries' loans from banks and away from the raising of new credits.

The latest breakthrough follows resolution of a problem that has threatened to jeopardise the package: a $500m to $600m shortfall in resources necessary to provide credit support for new bonds to be issued as part of the agreement.

Signature of the accord, which covers $48bn of bank loans – about half of the country's total foreign debt – is expected to start early in February. Agreement in principle on the broad outline was reached last July.

The Mexican Finance Ministry said late on Wednesday that banks accounting for 49 per cent of the loans had favoured swapping them at par for 30-year bonds paying a fixed 6¼ per cent interest rate. A further 41 per cent had opted for bonds paying $\frac{13}{16}$ point over money market rates at a 35 per cent discount to the loans' face value.

About 10 per cent had agreed to provide new loans equal to 25 per cent of their existing exposure, with a $\frac{13}{16}$ point interest margin.

Reduction in interest payments should mean a saving for Mexico of rather more than $650m annually, although the cut in its debt to banks will be largely offset by an increase in borrowings from the International Monetary Fund and the World Bank.

For the Mexican Government the most disappointing outcome will be the small minority of banks prepared to provide new loans to help bridge the widening current account deficit in prospect.

The lower-than-expected commitment to new loans, as well as rising prices in the US bond market, meant that insufficient funds had been collected to provide an 18-month interest guarantee and a principal guarantee for the bonds issued under the package. The International Monetary Fund, the World Bank, Japan and Mexico itself had contributed a total of $7bn.

The US Treasury last week agreed to issue the bonds at an effective interest rate of 7.925

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Mexico accuses NBC, Page 5

Rocard says Japan not following rules

By Ian Davidson in Paris

FRENCH Prime Minister Michel Rocard yesterday accused Japanese industry of not "playing the game" by the same rules as the rest of the world. He claimed that Japan used its control of domestic markets as a way of promoting exports.

"We are not protectionist," Mr Rocard told a conference of business leaders, "nor are we racist". But France's 30-year effort to escape from protectionism "did not impose any obligation to be foolish and naive."

Mr Rocard's comments coincided with the arrival in Paris of Mr Toshiki Kaifu, Japanese Prime Minister, whose visit has precipitated an open row between French government ministers on the best way to respond to Japan's apparently unstoppable export and investment drive.

Mr Rocard said he would be repeating his comments to Mr Kaifu, whom he later met at a lunch at the presidential palace, and subsequently for a bilateral talk at the prime ministerial office. Mr Kaifu arrived on Wednesday evening, and left last night for London.

The row between French ministers was started by Mrs Edith Cresson, the combative European Affairs Minister, who criticised Japan as an "adversary" which had an "absolute determination to conquer the world."

Continued on Page 12
Japan steps up anti-dumping battle, Page 5; Observer, Page 10; Party split, Page 2

MARKETS

STERLING	DOLLAR	STOCK INDICES
New York lunchtime:	New York lunchtime:	FT-SE 100:
$1.658	DM1.683	2,417.9 (+5.3)
London:	FFr5.7275	FT Ordinary:
$1.657 (1.6625)	SFr1.51075	1,940.6 (+4.1)
DM2.7875 (2.7925)	Y145.25	FT-A All-Share:
FFr9.495 (9.505)	London:	1,209.67 (-0.2%)
SFr2.5175 (2.515)	DM1.683 (1.6795)	New York lunchtime:
Y241 (241.25)	FFr5.73 (5.7175)	DJ Ind. Av:
£ index 88 (same)	SFr1.5195 (1.5125)	2,771.12 (+20.15)
GOLD	Y145.4 (145.15)	S&P Comp
New York: Comex Feb	$ index 67 (same)	349.48 (+2.15)
$415.6 (414.2)	Tokyo close: Y145.27	Tokyo: Nikkei
London:	US LUNCHTIME RATES	38,170.13 (+473.62)
$412.5 (409.25)	Fed Funds 8⅛%	LONDON MONEY
N SEA OIL (Argus)	3-mo Treasury Bills:	3-month interbank:
Brent 15-day Feb	yield: 7.77%	closing $15\frac{3}{32}$% ($15\frac{3}{32}$)
$21.05 (21.125)	Long Bond:	Life long gilt future:
Chief price changes yesterday: Page 13	$100\frac{5}{16}$	Mar $90\frac{2}{32}$ ($90\frac{2}{32}$)
	yield: 8.09%	

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Is it time to hang up Britain's Royal hat?

Faint stirrings inside the UK's opposition Labour Party could, with "good luck", set off an avalanche of change to transform Britain into a republic. Joe Rogaly argues for a redefined role for the Queen and Her Majesty's Government. Page 11

EC BUYERS HARASSED

Single European car market 'slips further away'

By Lucy Kellaway in Brussels

CAR manufacturers, distributors, and many European countries are illegally hindering European Community consumers from importing cars from anywhere in the EC, according to the Bureau of European Consumers Unions.

In a new survey on the European car market, BUEC argues that the prospect of a single market in cars is moving further away as 1992 approaches.

Its results show that prices in the 12 car markets are moving further apart despite attempts by the European Commission to bring them closer. The price of a new car – not including tax – in the UK is on average 31 per cent higher than in Belgium, compared to 19 per cent higher in 1987.

In France, West Germany and Portugal, net prices are found to be between 32 and 40 per cent higher than in Denmark – discrepancies which far outstrip the maximum 12 per cent recommended price differential laid down by Brussels.

The study finds that despite this price incentive to shop around, and despite a 1985 EC regulation specifying the right to buy a car anywhere in the EC, consumers' efforts have been frustrated by widening technical differences between national markets. Some, such as emission control laws, will be removed once states adopt common EC standards.

However, there are many other smaller differences that have been deliberately been created by the car manufacturers themselves, the study suggests. Distributors were found to be reluctant to sell cars to foreigners, sometimes refusing to do so, and sometimes imposing prohibitively long delivery periods. In the member states, evidence was found of unfair delays in registration and intimidation by police officers and other officials.

BEUC says it has received many complaints and has called on Brussels to penalise any anti-competitive behaviour by manufacturers and distributors.

Cyprus signs weapons deals worth $120m

By Kerin Hope in Nicosia

THE CYPRUS Government has signed contracts worth more than $120m with three French arms manufacturers to buy artillery, armoured vehicles and ammunition, as part of its modernisation programme for the armed forces.

The purchase includes a dozen AMX-13 self-propelled 155mm howitzers, together with 12 armoured ammunition carriers, and battery-command vehicles to be supplied by Crourot-Loire Industries.

Thomson-Brandt Armament, which is part of the Thomson CSF group, will also provide 120mm rifled mortars and ammunition valued at $82m.

Matra-Manurhin Defence, part of the Matra Group, will supply 1,000 Apilas anti-tank weapons.

The Government early last year signed contracts for 36 AMX-30B tanks, and one AMX-30D recovery vehicle valued at $136m, bringing the total amount spent on French-made arms since 1987 to more than $380m.

A senior Greek Cypriot official said the weapons purchases were aimed at ensuring "we could hold off for a few days, until the rest of the world noticed, any attack" by Turkish forces which have occupied the northern third of the island since 1974.

Succession battle blow to Socialists' unity

Presidential hopefuls split French party into 'fan clubs', writes George Graham

FRANCE'S Socialists are engaged in a full-blooded struggle for the succession to President François Mitterrand as the standard-bearer of the left in the next presidential election in 1995.

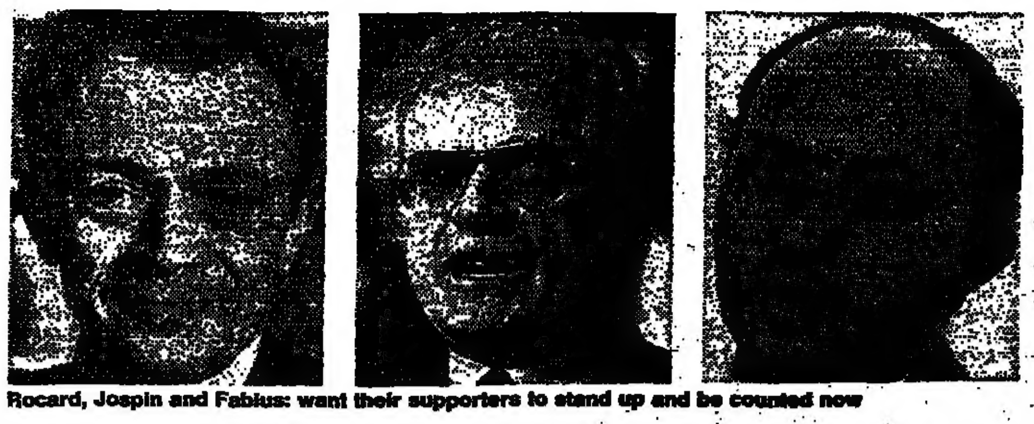
With Mr Mitterrand still less than a quarter of the way through his second term of office, all the main contenders hastily demur if accused of having ambitions to replace their 73-year-old leader.

The struggle is, however, barely camouflaged as the main contenders – Mr Michel Rocard, the Prime Minister, Mr Lionel Jospin, the Education Minister and former party secretary, and Mr Laurent Fabius, the youthful chairman of the National Assembly – manoeuvre for pole position.

Their manoeuvrings will reach a crucial stage this weekend, with a meeting of the party's central committee intended to pave the way for a united front at its biennial congress at Rennes in March.

At stake in the short term is control of the party itself. Since the Socialist Party emerged in its current form, under Mr Mitterrand's control, at the congress of Epinay in 1971, an elaborate system of proportional representation has divided power between different "currents" or tendencies within the party. The strength of these currents is gauged not by formal membership but by the number of votes that can be mustered at a congress.

There are still a number of serious ideological rifts within the party – on defence, on immigration, and on economic policy – but the currents are fast giving way to personal fan clubs.



Rocard, Jospin and Fabius: want their supporters to stand up and be counted now

In the past, the Socialists have often managed to maintain an appearance of unity. The rival tendencies have each produced their own "contribution", or manifesto, for the congress but would haggle over the division of power and agree on a single "synthesis" motion.

At Rennes, there is no impending election to promote unity, and the chances of reaching a synthesis are receding. The main hopefuls in the 1995 presidential race want their supporters to stand up and be counted now.

For the time being, the Mitterrandist "AB current" remains the dominant group in the party, with an estimated 60 per cent of the membership and a strong hold on the centre-left of the party. But the ABs, born of a merger between supporters of Mr Mitterrand and those of Mr Pierre Mauroy, the strong man of the Socialists in northern France and currently party secretary general, are breaking up.

Mr Mauroy has been unable to force the two main AB contenders, Mr Fabius and Mr Jospin, into a deal. Many party members have signed both contributions, perhaps to hedge their bets, but possibly also because there is so little to distinguish them in content.

Mr Mitterrand, when asked what was the political difference between the two, is said to have commented that while Mr Fabius was going bald, Mr Jospin had a full head of hair.

Two other ABs from the left of the grouping, Mr Louis Mermaz and Mr Jean Poperen, have also put forward contributions, though their sights appear to be set more on the post of party secretary general.

With the ABs divided, the C current of Mr Rocard seems most strongly placed towards the right of the party, with perhaps 25 to 30 per cent of the votes. After 18 months as Prime Minister, Mr Rocard is still high in the popularity polls, often outscoring even Mr Mitterrand.

Mr Rocard draws on a heritage of student militancy, blending social radicalism with economic rigour. The "Rocard method" of sitting down and talking about problems one by one has scored some notable successes, but many Socialists complain it has slipped into a timid pragmatism.

More clearly ideological is the E current, based on the former CERES think-tank and led by Mr Jean-Pierre Chevènement, the Defence Minister. Mr Chevènement, who has been losing ground but still has the support of 10 to 15 per cent of the party, combines a strong nationalism with a Marxist intellectual framework.

Though Mr Chevènement does not seem to be a serious presidential contender, he still represents to some extent the party's left-wing conscience, and some young Mitterrandists have begun to veer in his direction.

In the wings is Mr Jacques Delors, who has signed Mr Mermaz's contribution to the Rennes congress. His position as president of the European Commission prevents him from playing too direct a part in French domestic politics, at least until his second term of office ends in 1992, but his ambitions are clearly discernible.

Mr Delors shares with Mr Rocard the characteristic of being able to appeal strongly to floating votes in the centre. Like Mr Rocard, however, he is also viewed by many on the left as veering dangerously towards social democracy.

Meanwhile, more deadly power struggles are taking place across the rest of the French political spectrum. On the right, the Gaullist RPR is split by the assault of Mr Charles Pasqua and Mr Philippe Séguin on the party's twice-defeated presidential candidate, Mr Jacques Chirac.

On the left, Mr Georges Marchais is coming under mounting attack at the head of the last unreformed Communist Party in Europe.

The results of these two battles could have significant effects on the Socialists' electoral positioning.

Paris backs Thomson missile link with BAe

By William Dawkins in Paris

AN ambitious joint venture between the missile systems businesses of Thomson-CSF and British Aerospace yesterday received approval from the French Government.

This means Europe's largest joint cross-border defence equipment company has cleared its the final hurdle. Talks can now start for the establishment by the end of the year of a business with an expected turnover of Ffr 14bn ($2.46bn) and a staff of 1,400.

"This new alliance will reinforce our co-operation with Britain," said Mr Jean-Pierre Chevènement, France's Defence Minister, who was responsible for clearing the deal. It has been under negotiation for two years.

Britain gave its approval early last month. But Paris waited until it was finally convinced that the UK would join France and Italy in developing a weapon project known as Fams (Family of Anti-Air Missile Systems) rather than going for a US-led alternative. The UK's decision to join Fams, for the development of three naval missiles and a land-based weapon, finally cleared the way for French approval for the Thomson-CSF/British Aerospace deal.

The joint venture, to be called Eurodynamics, will be owned 50 per cent by each partner. Its start-up capital and has yet to be decided.

Production of Bordeaux almost doubles in 1980s

By Ian Davidson in Paris

PRODUCTION of Bordeaux wine has almost doubled in the past 10 years, from FFr6.4bn ($1.14bn) in 1979-80 to a new record of FFr11.4 bn in 1988-89, mainly through increases in productivity and price, the Bordeaux wine association announced yesterday.

The area under vines scarcely increased at all during this period, which was described by Mr Francis Fouquet, President of the Bordeaux Wine Council as "the decade of the century", rising only from 97,000 hectares to 103,000 hectares.

But the volume of wine marketed rose from 2.7m hectolitres to 4.7m hectolitres, while the share of production marketed under a higher quality label of Appellation d'Origine Contrôlée (as opposed to simple table wine) rose from 81 per cent to 94 per cent.

Belgium remained the leading export market for Bordeaux, with sales of FFr717m, followed by Britain and the US.

Russian church makes appeal to Rome

By John Wyles in Rome

THE Russian Orthodox Church yesterday appealed to the Pope to urge an end to violent acts by Uniate Catholics in the Ukraine whose battle for religious freedom has become closely entwined with nationalist demands.

In an outpsoken interview published yesterday by La Stampa, Archbishop Kyrill of Smolensk and Kaliningrad, the newly appointed Orthodox Bishop responsible for relations with the Vatican, revealed that nationalist feeling in the Ukraine was also now causing schisms within the Orthodox Church.

His remarks were published on the eve of the departure for Moscow today of a Vatican delegation led by Cardinal Johannes Willebrands which will continue discussions with the Orthodox Church on the Uniates problem.

These are Ukrainian Catholics, numbering around 4m in communion with Rome, who were forcibly integrated into the Orthodox Church by Stalin in 1946 along with their churches and other ecclesiastical property.

In the last few months several of these churches have been occupied by Uniate militants.

According to Archbishop Kyrill: "the situation is getting worse every day because violence is growing in the Ukraine."

The Orthodox wanted the Pope to appeal for an end to violence and help start a process of normalisation.

The Uniate problem had to be solved by a dialogue between the Orthodox and the Vatican but "other forces are involved which have nothing to do with the clergy."

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Brussels steps up the EC drive to aid East Europe

By David Buchan in Brussels and Laura Raun in Amsterdam

A HIGH LEVEL European Commission trip to East Europe starting today marks a further intensification of Community efforts to help the ailing economies of the region.

Mr Frans Andriessen, the External Affairs Commissioner, today flies to Prague, then on to Sofia and Bucharest on Saturday and Sunday, for talks aimed at reaching new trade and economic co-operation agreements with Czechoslovakia, Bulgaria and Romania, and at assessing the latter's need for further emergency aid.

Any further aid to the region will require revision of the Community's 1990 budget in which Ecu300m ($363m) have been set aside for Poland and Hungary. The Commission plans to take 10 per cent in the capital of the proposed Bank for the Reconstruction and Development of Europe (BRDE) would also have to entered into the EC budget, though the capital would only be partially paid up.

In talks with other Western participants in the bank in Paris at the start of next week, Ireland, as current president of the EC, will have no agreed Community position on the bank's overall capitalisation to present. EC discussions earlier this week left the Twelve divided, with France favouring a capital of Ecu15bn, most other countries happy with Ecus 10bn and Britain and the Netherlands arguing for half that sum. The UK is also concerned that bank lending should be confined to fostering private entreprise rather to bolstering the still-enormous state sector in Eastern Europe.

However, the Irish presidency will propose to other participants the following shareholdings: a controlling 53 per cent for the EC (with the Twelve taking 43 per cent and 10 per cent for the European Community itself and its European Investment Bank); Eastern Europe and the Soviet Union taking 15 per cent; other Western European countries 10 per cent; the US and Japan 8.5 per cent each; and the remaining 6 per cent spread a number of other countries such as Turkey, Cyprus and Malta. Interest in participation has come from as far afield as Mexico.

France to provide aid package to Romania

By Judy Dempsey in Bucharest

IN AN attempt to restore links with Romania and to gain an economic foothold in Eastern Europe which is now largely dominated by West Germany, Mr Roland Dumas, the French Foreign Minister, yesterday pledged a package of economic assistance to Romania's interim government.

Mr Dumas, the first foreign minister from a European Community country to arrive in Bucharest since the ousting by a mass popular movement of the Ceausescus on December 22, held seven hours of talks with ministers and the Front for National Salvation.

These included discussions with Mr Sergiu Celec, the Foreign Minister, General Victor Stancelescu, the Minister for National Economy and Mr Nicolae Nicolae, the Minister for Foreign Trade.

But because of the chaotic state of the economy, Mr Dumas said it was practically impossible to offer any immediate economic assistance without available statistics to hand. However, he said that in March, a newly formed French-Romanian joint economic commission would meet, to finalise the package.

High on Romania's list of priorities is the modernisation of the telecommunications system as well as the food and agricultural industry.

Yesterday French officials said that firms, including Pechiney, the aluminium group, Peugeot and Renault, the car manufacturers, were already anxious to return to Romania. During the 1970s, Renault had helped to develop Romania's car industry. But since the early 1980s, trade links between both countries rapidly deteriorated following criticisms by French President François Mitterrand of the country's dismal human rights record.

French exports to Romania plummeted during this period and by 1988 exports to Romania totalled FFr710m while imports from Romania exceeded FFr2.8bn. France imported food and agricultural products as well as textiles, furniture and glass.

Businessmen do not buy East Germany's economic reforms

West German Industry Federation president Tyll Necker talks to David Marsh and David Goodhart

LEADING West German industrialists gathering near East Berlin tomorrow for talks on co-operation are likely to ask the Communist leadership to go much further towards opening up the East German economy to market forces and outside investment.

Mr Tyll Necker, president of the West German Industry Federation, who will lead the delegation, said he finds "unsatisfactory" the economic measures put forward by the East German leadership.

Mr Necker took issue in particular with East Berlin's plans to limit foreign stakes in East German joint ventures to only 49 per cent. The limit is partly grounded on East German fears of a "sell-out" to powerful West German industry.

Although some East Berlin officials appear to take seriously the West's objections over the 49 per cent rule, Mr Hans Modrow, the East German Prime Minister, failed to clarify the point in yesterday's government statement.

Mr Necker also said that tax levies on joint venture profits could amount to "close to 100 per cent," which would make such investments "uninteresting" for western companies.

Among the top West German company chairmen expected to attend the meeting are Mr Edzard Reuter of Daimler-Benz, Mr Carl Hahn of Volkswagen, Mr Deiter Spethmann of Thyssen, Mr Klaus Piltz of Veba, Mr Heinz Schimmelbusch of Metallgesellschaft and Mr Jens Odewald of Kaufhof. From East Germany, Ms Christa Luft, the Economics Minister, and the heads of the country's top Kombinate (state owned companies) are scheduled to take part.

Mr Necker is anxious about prospects that the East German Communist party, the Socialist Unity party (SED), could clinch a "blocking minority" in the East Berlin parliament (Volkskammer) after elections on May 6.

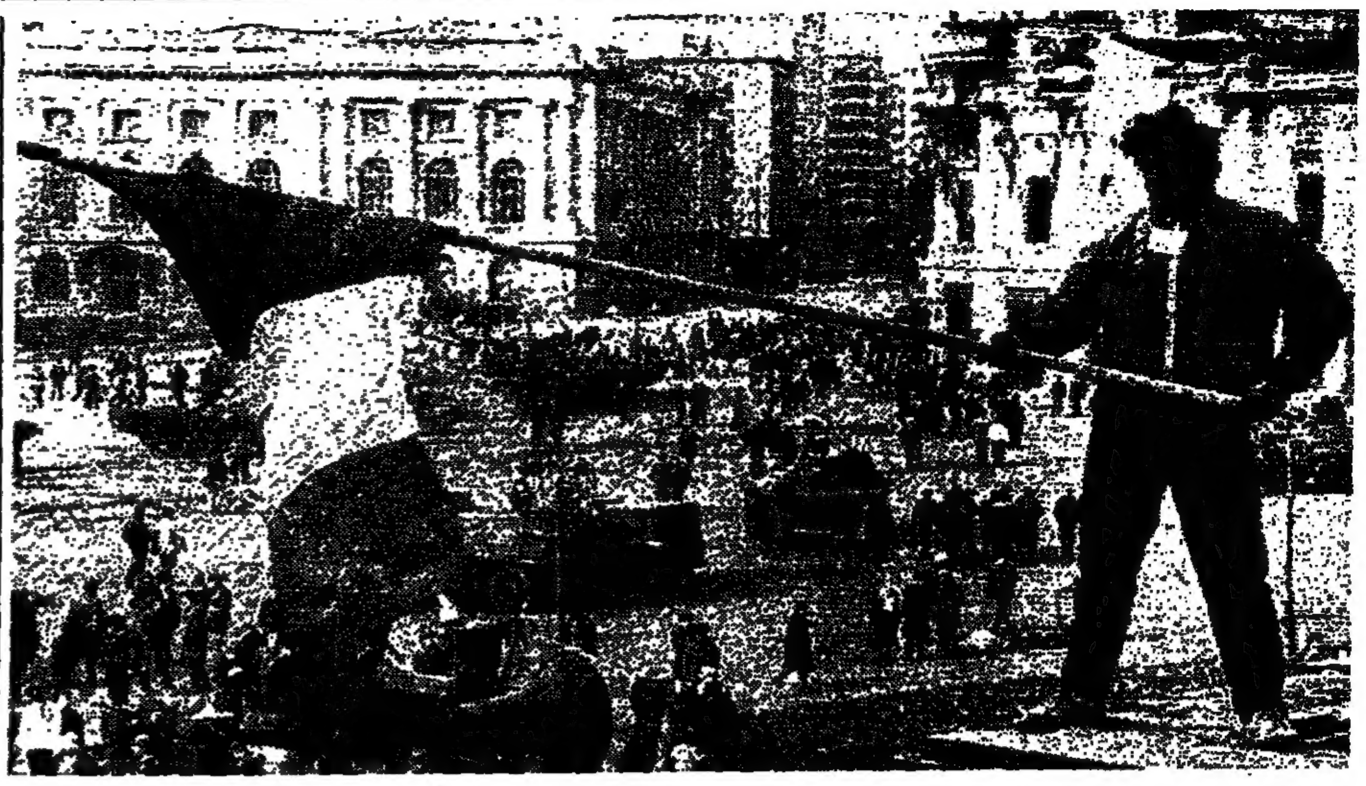
His criticisms of the economic course of the Communist leadership are backed up by other industrial groups. According to Mr Helmut Giesecke, in charge of East bloc trade at the Association of German Chambers of Commerce, "We don't have the impression that they really want to (change). They don't want to bury their Socialism."

Pointing out that the East German Communists have always lagged well behind the reformist-minded countries in eastern Europe in accepting private initiative and market-orientated economics, Mr Necker said: "The SED is very set in its ideology."

"We must stabilise the country (East Germany) but not the SED," he said, picking up a point that has concerned Chancellor Helmut Kohl.

Mr Necker, who was born in what is now East Berlin said "improving the situation of the people in East Germany" should take priority over achieving unity.

Czechs to ease joint venture curbs, Page 5; Problems of setting up shop, Page 12



Waving goodbye to repression: one of the young heroes of the revolution on the balcony of the Party HQ in Bucharest at Christmas

Old habits prove hard to kill

Ceausescu may be dead, but the spirit he engendered lives on, reports Judy Dempsey

THE execution of Elena and Nicolae Ceausescu closed the first phase of the Romanian Revolution. Now, three weeks later, the National Salvation Front is attempting to embark on the second phase: dismantling the totalitarian system which the Ceausescus had inherited from the former Stalinist leader, Mr Gheorghe Gheorghiu-Dej.

It is an awesome task. For the Romanian Communist party went further than other East European countries in imposing a system which touched every individual in the country.

The imposition of such a system was facilitated by the historical background. In Romania, a liberal political system never got started.

During the second half of the 19th century, attempts were made by the sons and daughters of the aristocracy to change the political atmosphere in the country. Yet although many of them studied in France and returned with revolutionary/liberal ideals, that generation made no effort to establish civil and political institutions based on the European experience.

Had they done so, it would have meant dismantling a mentality based on widespread corruption and neo-serfdom. It would have also meant introducing radical changes, especially land reform, one of the few issues which had dominated Romanian political life for the best part of a century.

In the 1930s, the dictatorship of King Carol, followed by the fascist Iron Guard, allowed no opportunity for the pre-war parties, the National Peasants party and the National Liberal party, to achieve serious political changes. And after 1947, the Romanian Communist party continued the tradition of suppressing political life.

Hence now, after the Christmas revolution, one of the first things the National Salvation Front has to tackle is the mentality of the population.

Under the totalitarian system, nobody was spared the humiliation of the Securitate. So many people informed. So many joined the Communist party and indirectly supported the Ceausescu regime. A collective silence prevailed among the post-war generation.

Their parents had already lost everything under the fascists and the communists. The younger generation, born in the 1970s, had nothing to lose. Which is why, unarmed and in their thousands, they faced the Securitate on December 22.

Those touched by this degrading system have turned to the Front just as quickly as millions of Romanian fascists turned to the new communist regime after 1947.

No one speaks of a sense of shame or a sense of collective guilt, about which Mr Vaclav Havel, the President of Czechoslovakia, so eloquently spoke last week.

"Without standing up and saying we were all part of this system and declaring our true political/moral outlook, it will be very, very difficult to change this mentality," says Dr Dumitur Mazilu, the vice-president of the Front.

Younger Romanians, however, are calling now for declarations of responsibility for the destruction of values and individualism. They point out that the faces in the media and in the foreign ministry, in the factories and in the offices, are all the same. "They have simply switched sides without the slightest difficulty," say members of the Christian Democratic Youth movement, a branch of the National Peasants party. They also say that nothing has changed.

But slowly, the Front is trying to dismantle totalitarianism. A decree issued last Monday will allow all Romanians to travel, a right which was denied to the society, not only by the Ceausescu regime but by Mr Gheorghiu-Dej as well. Mr Mazilu fought hard for this right, as he is for a new electoral law which will soon be published.

This law will form part of the basis for a new political system. But the system will not become democratic or even liberal overnight. Old habits in Romania will die particularly hard.

Peking appoints hardliner as its new envoy to Hong Kong

By John Elliott in Peking

ZHOU NAN, one of China's top foreign ministry officials, with a reputation as a tough negotiator, has been appointed Peking's top man in Hong Kong where he will head the local branch of the Xinhua News Agency, China's de facto embassy in the colony.

By the end of this month he will succeed Xu Jiatun, 74, who is retiring. The move will not be welcomed by British diplomats who regard Zhou, a 62-year-old vice foreign minister, as an often unsympathetic, smooth-talking hardliner who is likely to take a tougher line on Hong Kong matters than his predecessor.

This week Zhou, who speaks excellent English, has been the official host in Peking of, Sir David Wilson, Hong Kong's governor. Yesterday the two men met for nearly three hours. Zhou is believed to be close to Li Peng, the Prime Minister, whose views he is expected to echo. This could increase the risk of confrontation at a time when the colony is passing through a specially difficult period. On the other hand, relations may be more straightforward because Zhou is in tune with Li.

The reaction in Hong Kong yesterday was mixed. Although some people were worried by the appointment, others thought it an advantage to have someone close to Li. "Zhou is a man with a lot of clout and, as he sees for himself what is happening in Hong Kong, he will be in a strong position to report back," said Mr James Tien, an industrialist and member of the Legislative Council.

China does not have a full embassy in Hong Kong. Over the years it has developed its Xinhua News Agency branch, located in a former hotel opposite the colony's Happy Valley Race Course, to do the job. The building became a focal point for pro-democracy demonstrations last May and June when Xu is believed to have been criticised by Peking for not exerting more authority.

Xu, who once described capitalism as "one of mankind's great inventions", has been seen as a benevolent supporter of the colony in many of its differences with Peking. That type of stance is now out of favour.

Zhou's experience with Hong Kong has been built up over many years and he is well known to British diplomats and to Hong Kong's leaders because he headed China's team from the end of 1983 in negotiations which led to the Sino-British Joint Declaration on the 1997 handover.

In Hong Kong, his main job will be to use China's extensive contacts to rebuild the credibility of Peking in the wake of last June's Tiananmen Square massacre, and to try to reduce support for rapid democratic development and mass emigration.

Britain presses China over Basic Law

By John Elliott

SIR DAVID Wilson, the Governor of Hong Kong, yesterday urged senior Chinese officials to speed up plans for democratic reform in the draft Basic Law which will be the colony's mini-constitution when it returns to Peking's sovereignty in 1997.

This led to a long and detailed discussion between the two sides, although it is not known if China was persuaded to budge from a rigid stance it has adopted in recent months.

Yesterday morning, Sir David met Zhou Nan, vice foreign minister, who is to take over as China's de facto ambassador in Hong Kong by the end of this month. The talks lasted for nearly three hours. This was longer than expected and indicated that the talks covered all the issues which have built up into a confrontation in recent months between China and Hong Kong, backed by the UK.

Sir David said he had had "frank in-depth discussions". This had been "useful in getting understanding of the issues involved".

At the start of the afternoon session Li Hou, a senior official in the Peking's Hong Kong and Macao Office, used analogies about the weather to criticise an anti-China demonstration in Hong Kong on New Year's Day, which called for the downfall of "Ceausescu's China". Li said it was "time for the weather to get clear", but rain had "once more fallen on Hong Kong". Sir David replied: "We are almost at the end of this period of winter." It was, however, "important to distinguish between small showers of rain and typhoons, or we will get confused".

Bush welcomes the lifting of martial law

By Peter Riddell, US Editor in Washington

PRESIDENT George Bush yesterday welcomed the lifting of martial law in China as "a very sound step" and said the US would continue its policy of not isolating Peking.

In his first public comments since Wednesday's announcement from Peking, Mr Bush said that, "for those who are interested in human rights and the reform that was on the move (before last June's crackdown) and we'd all like to go forward, there's no way you can look at that and say it's not positive."

He cited the decision as justification for his policy of maintaining high-level contacts with the Peking Government following the Tiananmen Square massacre last June.

Mr Bush has been criticised by Democratic leaders for "kowtowing" to the Chinese authorities by sending Mr Brent Scowcroft, his National Security Adviser, and Mr Lawrence Eagleburger, the Deputy Secretary of State, to Peking only a month after the massacre and again last month.

Mr Bush said yesterday that the US would "continue to watch the situation very closely".

"I've taken a position that I do not want to isolate China by no contacts and set the clock back," the President said.

Congressional leaders are reacting more cautiously than the Administration to the announcement of the lifting of martial law.

They have questioned how much real difference the decision will make to the level of suppression of dissent.

Republicans as well as Democrats have argued that more needs to be done by the Chinese authorities before Congress abandons the idea of going ahead with further economic sanctions.

In a largely symbolic move, Congress is expected later this month to take up a Bill giving Chinese students the right to remain in the US.

This was vetoed at the end of last year by President Bush on the grounds both that it was unnecessary since the students had already been given such access and that it interfered with his presidential prerogatives.

Two-thirds majorities apparently exist in both the Senate and the House of Representatives to override the veto.

The Administration has announced that the US will support a partial resumption of World Bank lending to China. This is likely to result in the approval within the next few weeks of small loans for earthquake and anti-poverty relief.

What is being officially described by the Bush Administration as a "partial change" will apply on a case-by-case basis to lending for humanitarian and "human-needs" type loans.

A State Department official stressed that the US remained opposed to a resumption of project lending, larger loans for economic development and infrastructure projects. These account for the bulk of the $750m (£451m) in loans which were frozen last June after the Tiananmen Square massacre.

The first of the humanitarian loans likely to be given the go ahead are for $30m to deal with the direct results of a big earthquake last year and a $60m anti-poverty loan to assist Jiangzi province, one of China's poorest regions.

The issue is expected to be considered by the World Bank board around the end of this month or in early February.

Tourists replace troops

By John Elliott

A BATTERY-operated plastic toy helicopter whirring from a stall behind Chairman Mao's mausoleum was the most aggressive object visible in an otherwise peaceful Tiananmen Square yesterday. The square was open to the general public for the first time since last June, following the lifting of martial law early yesterday.

But the apparent freedom and calm was superficial, as plainclothes secret police quickly demonstrated when Mr Norman Rees, a British television reporter, was interviewing an elderly woman. Suddenly her arms were grabbed by two khaki-coated men who took her to a room in the adjacent Museum of Revolutionary History, which is being used to house troops.

The women had been saying that it was good that peace had returned and had called for China and Taiwan to be reunified. She became over-excited and cried.

Earlier an old man had shouted at guards on the central Monument to the Peoples Heroes: "How many students did you kill last year?"

Several thousand people walked through the square in near freezing temperatures. Many walked quickly in file to the Mao mausoleum to see the embalmed remains lying on a granite plinth under a plastic cover.

The mood in the square was mostly sombre as people congregated round the central monument and gazed at the guards and at the monument's steps which are still broken and charred from last June's army action. Few spoke to foreign reporters, and when they did, men dressed in greatcoats or black tunics quickly silenced them by moving alongside.

The government's decision to ban entry to the monument's steps and plinth has made it an object of disproportionate primary interest as an evocative reminder of last year's student movement.

Tourists back in Tiananmen Square after the end of martial law

Pretoria to stand by apartheid in schooling

By Patti Waldmeir in Johannesburg

A SOUTH African minister yesterday ruled out any possibility that the country's school system would be desegregated under the current National Party government.

The minister in charge of black education, Mr Stoffel van der Merwe, whose ministry is at the centre of a controversy over poor black examination results, told a press conference in Johannesburg: "I don't think this government will ever reach the point where it will forcibly integrate schools."

The minister's comment highlights the government's continued commitment to fundamental apartheid legislation governing residential and school segregation, despite recent moves to abolish petty apartheid and to begin negotiations on political rights for blacks.

Asked why Pretoria had decided to force the integration of beaches but was maintaining school segregation, Mr van der Merwe replied: "One does not have to go to the beach."

A limited number of private schools in South Africa are already mixed, and Mr van der Merwe said he expected this trend to continue, hinting that voluntary desegregation of some state schools might also be allowed.

But integrating all schools would create havoc, he said, adding that political, social and cultural problems would result.

The minister was responding to the charge that the segregation of education along racial lines imposed heavy extra costs on a system which was already delivering inferior education to non-whites.

Singh announces Punjab concessions

Mr V.P. Singh, India's Prime Minister, yesterday made a second visit to the troubled north-western state of Punjab and received another rousing welcome when he announced further measures to satisfy demands by the Sikh community, K.K. Sharma writes from New Delhi.

These include rehabilitation of Sikh soldiers who deserted the army after the 1984 assault on the Golden Temple in Amritsar by troops on orders from the late Indira Gandhi and a review of cases of those now detained for minor offences.

Mr Singh also promised to give adequate compensation to victims of violence against Sikhs after Mrs Gandhi's assassination in 1984, as well as a judicial inquiry into the mysterious death of Jagdev Singh, a recently-elected member of Parliament belonging to the dominant faction of the Sikhs' main political party led by Mr Simranjit Singh Mann.

Bougainville rebel chief reported dead

FRANCIS ONA, leader of a bloody rebellion on the South Pacific island of Bougainville, has been killed by a more militant group, police said, Reuter reports from Port Moresby.

But the national police commissioner, Mr Paul Tohian, produced little evidence to back his claim, which coincided with a debate in the Papua New Guinea Parliament on whether to extend a state of emergency on the island.

Papua New Guinea's largest copper and gold mine is on Bougainville but it has been closed by the rebellion since May because of repeated rebel attacks.

Honda safety move

As part of plans to improve the safety of its passenger cars, Honda will equip all its cars with inflatable emergency airbags within three years, the company president, Mr Tadashi Kume, said yesterday, Kyodo reports from Tokyo.

Jerusalem Post strike threat removed

By Hugh Carnegy in Jerusalem

JOURNALISTS at the Jerusalem Post, the troubled English-language Israeli newspaper, have removed their threat of a strike after receiving assurances on editorial independence from the paper's Canadian ownership.

However, the 30 senior editorial staff who resigned in protest against the policies of Mr Yehuda Levy, the former Israeli army officer appointed publisher by owners Hollinger Inc, said they were not impressed by the assurances and would not be returning to the Post. They are continuing their plans to start a rival newspaper.

The dispute with the remaining staff was resolved when Mr Levy wrote a letter pledging full editorial independence for the editor and his journalists. "The Jerusalem Post will continue to be a free and independent newspaper and will not reflect a single, politically orthodox position," he said.

Mr Levy has yet to appoint an editor to succeed Mr Erwin Frenkel, who resigned two weeks ago because of the publisher's intention to assume ultimate editorial control.

Since the row blew up, the Post, regarded as highly influential among foreign diplomats, journalists and English-speaking diaspora Jews, has been severely curtailed, dropping some pages most days and filling space with many agency dispatches.

Mr David Landau, the former managing editor of the Post, said yesterday plans to start a rival daily circulating both at home and abroad had been presented to Jewish investors who had expressed interest in backing such a project.

Shia fighting leaves 100 dead

By Lara Marlowe in West Beirut

NEARLY 100 people have been killed in fighting between rival Shia Moslem militias in southern Lebanon in the past three weeks, despite the uneasy stalemate in the civil war which persists in Beirut.

The battles could have far-reaching implications for Iran, Syria, Israel and the Palestine Liberation Organisation, as well as for Lebanon. The pro-Iranian Hizbollah's goal now appears to be to extend its control from the port of Zaharani, just south of Sidon, inland to the market town of Nabatiyeh, the Shia capital of the south. These areas are currently held by the nationalist Amal militia which is at least nominally allied with Syria.

If the Hizbollah offensive succeeds, an "Iranian enclave" infinitely more hostile to Israel than the region now dominated by Amal could be established a few miles north of Israel's self-declared "security zone" in southern Lebanon.

The governments of Iran and Syria have close ties but are strangely helpless in this battle between their Lebanese militia allies.

The power struggle in Tehran is to a certain extent being played out in Iqlim al-Toffah, the region now at the centre of the Shia clashes.

Mr Ali Akbar Mohtashemi, the hardline former Iranian Interior Minister who established the Lebanese Hizbollah, is known to have encouraged the Hizbollah initiative during his visit to Lebanon in October and November.

President Ali Akbar Rafsanjani of Iran dropped Mr Mohtashemi from his cabinet but has been unable to take control of Hizbollah and the 18 western hostages they are believed to hold in Lebanon.

The Amal-Hizbollah battles since December 23 are a continuation of the war which began when Hizbollah was expelled from southern Lebanon by Amal in April 1988. Hizbollah has recently wrested control of some villages from Amal, and has never renounced its goal of returning to the south so that it can "liberate" Jerusalem from the Israelis.

But, as Mr Nabih Berri, the Amal leader, said bitterly at the funeral of his southern Lebanon commander killed last week: "They (Hizbollah) have killed more of us in Amal than they have killed Israelis." A total of 900 people have died in Lebanon's inter-Shia war over the past 20 months.

Cambodians wage war of words

By Robin Pauley, Asia Editor

ALL warring factions in the Cambodia civil war yesterday stepped up their military and propaganda efforts to exert maximum leverage in advance of the meeting of the five permanent members of the United Nations Security Council to discuss the crisis.

Mr Hun Sen, head of the Phnom Penh government installed by the Vietnamese occupation army which withdrew in September, said that more citizens would have to be drafted into the country's army to "fill holes in the front line".

The Khmer Rouge guerrillas, whose claims of military success do not always match fact or capability, said yesterday they had launched new attacks and seized villages in the area of Battambang, the country's second-largest town after shelling it last week. In earlier claims they said they had either attacked and set fire to the town or laid seige to it. Both were dismissed as not credible by Western military analysts and have now been dropped by the Khmer Rouge.

Their latest broadcast, so far unverified, said their guerrillas had "liberated" 38 villages in four communes and killed or wounded enemy soldiers and freed 65 village officials.

Whatever the doubts, the Khmer Rouge is clearly active and causing some death and destruction.

A Vietnamese general, Trang Cong Man, editor of his country's main army newspaper, was reported from Hanoi as believing the Khmer Rouge to be concentrating all its efforts around Battambang in the hope that it will fall, enabling it to set up an alternative government there. But most analysts doubt whether the Khmer Rouge could achieve such a military victory unless the shaky Pnom Penh regime first started to collpase.

Mr Hun Sen's call for more military recruits probably reflects the inability of the current government army to regain lost territory, mainly in the rural areas towards the Thai border, at the same time as defending the important towns and villages from Khmer Rouge hit-and-run strikes.

Officials and junior foreign ministers of the five UN security council permanent members meet in Paris at the weekend to look for a political solution for Cambodia. Their discussions will centre on an Australian proposal to administer Cambodia through UN trusteeship pending elections.

Vietnamese children pictured on Wednesday taking part in a group potty training session at the Tuen Mun refugee camp in Hong Kong

Saudi Arabia denies torture

SAUDI ARABIA said yesterday it held no political prisoners and, obeying the laws of God, did not permit torture to extract confessions, Reuter reports from Nicosia.

The denial was prompted by an Amnesty International charge that the kingdom allowed torture and "a clear pattern" of political detentions without trial.

The Amnesty report, released on Thursday, gave case histories on 66 detainees including a 40-year-old woman who died after three days in custody.

The London-based human rights organisation had said that since 1983 more than 700 people suspected of opposing the Saudi Government had been detained without trial.

Karachi squatters build 'parallel state' where government never goes

The World Bank has highlighted a self-help scheme that has transformed probably the world's largest slum, writes Christina Lamb

YOU are now entering the Middle Ages, said "Doctor Sahib" as he drove past the memorial to Pakistan's founder, round a series of truckclogged roundabouts into the slums of north-west Karachi – areas with names familiar only as sites of frequent ethnic riots.

Curfew is the government's only contribution to life beyond the green line that marks off Orangi, probably the world's largest squatter camp, from the marble palaces which house the politicians and businessmen, and the neat villas of civil servants.

Some 40 per cent of Karachi's population of 9m live in illegal settlements. The World Bank recently published a report on Orangi – home to more than a million people from all over the subcontinent – as an insight into how people cope when local government breaks down.

This shanty town, begun in 1965 to accommodate floods of migrants from India and then Biharis from Bangladesh, is a microcosm of Pakistan. It has every kind of problem – poverty, disease, ethnic tension, drugs mafia and guns. It has mohajirs, Baluch, Pathans, Punjabis, Biharis and local Sindhis all competing for scarce jobs in a city where streets are paved with garbage not gold.

Inside Orangi's 8,000 acres there is no government – residents are provided no water, no power, no sewerage, no health care, no transport and no education.

However, once the poorest part of Pakistan with typhoid and malaria cases in every one of its 90,000 houses, Orangi today is a hive of industry, even exporting textiles abroad and bricks to affluent Karachi suburbs.

The transformation is mostly due to the dedication of one elderly man. Akhtar Hameed Khan, known fondly as Doctor Sahib though he has no medical qualifications, persuaded the people that "the government was never going to give them anything but promises – if they wanted to live like humans they would have to do it themselves".

They did. With the help of Mr Khan and the Bank of Credit and Commerce International which set up the Orangi Pilot Project (OPP), providing just more than a penny a head, they constructed houses and drains, and soon learnt the value of self-help.

Waterborne diseases, medicine for which had eaten up 40 per cent of their incomes, were reduced drastically. Today there are schools, mobile health clinics, women's work centres, a bus service and even a bank lending money for enterprise projects.

Residents laid their own water pipe to a nearby dam. Electricity is bought from entrepreneurs who have invested in a generator, or pirated from overhead cables, often with the palm-greased connivance of the authorities.

"This is the key to how the nation survives," says Mr Khan as he drives through an area of intense hammering, piles of tyres and vehicle parts. "The government has provided the men in these shacks with nothing, but today this [four-mile] stretch is the hub of Pakistan's entire transport industry. They can fix anything."

Now in his eighties and resembling a human grasshopper – all sticklike limbs and enthusiasm – Mr Khan has himself become something of a subcontinental Mr Fixit. His Comilla project in Bangladesh is used worldwide as a model for self-reliant rural development, but he was forced to leave when the government, feeling his success undermined their role, labelled him a CIA agent.

Orangi is divided into lanes. Each elects a president responsible for collecting money and organising labour for laying drains and building septic tanks, advised by OPP's band of fervent young people who have developed a manhole cover and latrine costing a fraction of those previously available.

Since the project began in 1980, more than half have built drains. The concept has been so successful that 180 self-help organisations have formed, covering everything from sport to religion.

People are growing rich in Orangi. The average monthly family income is still only Rs1000 (£29), but since 1987, OPP, which has an annual budget of Rs3m, has given Rs2.5m in loans to entrepreneurs, from kitemakers to rubbish collectors, knitters and rubberband manufacturers. Sweatshops are disappearing and, encouraged by OPP, women are casting off the veil and running work centres, producing tea towels and cloths for export.

The mushrooming of illegal sqatter settlements such as Orangi began in the mid-1960s. State land was sold by powerful middlemen to migrants without due authorisation, thus leaving government with no obligation to provide facilities.

The names of some lanes reflect the efforts of each ethnic group to retain its cultural identity. Thus the Pathans live on higher ground and keep their women veiled and hidden, while the mohajirs are the most vocal and have the most schools. They make what the World Bank describes as "an uneasy mix of co-operation and discord".

This exploded in 1986 when parts of Orangi became a battlefield where 150 people died in a few hours. Since then, the government slaps on daytime curfew at the slightest sign of unrest. Even when quiet, there is a night curfew.

The violence is linked to the growth of a vicious underground drug mafia exploiting ethnic tensions. This, along with some fundamentalist religious groups angered by the OPP's liberation of women, is threatening to overwhelm community development organisations.

Local authorities in Pakistan's largest city are uneasy too at the growth of this rival economy which the World Bank describes as a parallel state, parasitic on the legal one. It is one of Pakistan's few success stories. The authorities have, in turn, called him an Indian or Israeli agent.

Meeting of world finance ministers put in jeopardy

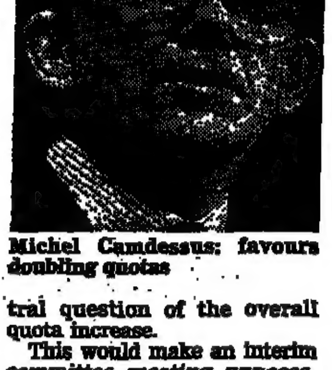
By Peter Riddell, US Editor, in Washington

A MEETING of the world's leading finance ministers in Washington in two weeks' time now looks increasingly unlikely as discussions continue at the level of senior officials about an increase in the resources, or quotas, of the International Monetary Fund, led by Mr Michel Camdessus.

Differences about the size of the quota increase have narrowed but not disappeared as result of intensive discussions on the IMF's executive board, which are due to continue this afternoon and next week.

A meeting of the policy-making interim committee of finance ministers had provisionally been pencilled in as a contingency for January 25/26 to resolve these issues. It would have been preceded by a meeting of ministers of the Group of Seven leading industrial countries.

Leading participants, however, believe that sufficient, albeit, gradual progress is being made that the executive board of permanent representatives in Washington may be able to reach agreement within the next two weeks on the central question of the overall quota increase.



Michel Camdessus: favours doubling quotas

This would make an interim committee meeting unnecessary but a fall back date of mid-February is likely to be scheduled if the board cannot reach agreement by early next month.

Mid-February is the last date for a decision since detailed proposals have to be sent out to the 152 member countries by then to meet the March 31 deadline for completing the quota review.

Some progress has been achieved on the quota issue as there has been a convergence, though not yet a coincidence, of views between those, such as Mr Michel Camdessus, the IMF managing director, favouring a doubling of quotas, and countries such as the US, Britain and Saudi Arabia supporting a much smaller rise. A compromise in the 40 to 50 per cent range is looking increasingly probable.

Similarly, the issue of a redistribution of voting shares with Japan taking over second place from Britain has now been resolved in principle.

But there remain considerable problems on the question of the limits of access to IMF resources and of adhering to the fund's principles of uniformity of treatment in view of the possibility of individual hard cases.

These are matters better suited to discussion in the executive board than by finance ministers on the interim committee.

Canadian market falls behind main competitors

By Bernard Simon in Toronto

THE CANADIAN financial market is falling behind those in other industrial countries as a result of delays in financial industry reform, according to a new report by the Canadian government's leading economic think-tank.

The Economic Council of Canada urges federal and provincial governments to work on harmonising the regulation of financial institutions, which is now split between the two levels of government.

The council notes that "competitive regulation adds to the costs of financial institutions and makes it difficult for firms incorporated under different jurisdictions to compete on equal terms across the country."

The report also mentions the difficulty of maintaining uniform solvency standards – one of the factors blamed for the failure of several financial institutions in the past few years.

Canadian banks and most insurance companies are regulated by the federal government, while the provinces have jurisdiction over many trust companies and the securities industry.

Each of the ten provinces has its own securities regulator.

The council recommends the creation of a formal organisation to represent federal and provincial regulators as a start towards the co-ordination of financial industry supervision. Several experts have been urging the formation of a single securities commission.

The report also cautions: "There are grounds for concern about the performance of Canadian institutions in the growing international financial markets where they have been losing market share."

It expresses concern that the decline in their international market share may be a harbinger of similar problems in the domestic market as restrictions are eased on foreign institutions operating in Canada. "One should not dismiss lightly the possibility that foreign institutions may, over time, be able to obtain an increasing share of domestic Canadian markets."

TV network in row over drug show

By Lionel Barber in Washington

THE MEXICAN government has accused NBC television in the US of slander and distortion, after the network's much-touted series Drug Wars, which depicted the torture and murder of a US federal drug agent in Mexico.

In Washington, Mr Gustavo Petricioli, Mexican ambassador, said NBC had set back the cause of US-Mexican drug co-operation. But NBC in New York said the Mexican government had turned down offers to put its side on the air this week.

The six-hour series – produced by Michael Mann of the Miami Vice fictional detective series – sought to portray in "docu-drama" form the kidnapping and slaying in 1985 of Mr Enrique "Kiki" Camarena of the Drug Enforcement Agency. It showed Mexican officials as corrupt, fun-loving bureaucrats intent on frustrating US efforts to crack the Camarena case.

The Mexican government brushed off the series as "entertainment", but protested over subsequent news reports fronted by Mr Tom Brokaw, NBC News anchorman. Comments by Mr Brokaw, NBC reporters and some of invited commentators were "the product of sheer ignorance – imprecise, unfair, lacking any evidence," said the government in a three-page statement.

In one comment, an NBC reporter quoted unnamed US officials saying Mexico was "just like Panama. . . almost in every part of the country there is a local Noriega, a comandante, a general, a government getting rich by dealing with the Colombian cartel drug bosses."

Underlying the protest is a feeling common among Latin Americans that their northern neighbours spend too much time blaming the latins for the drug crisis, and not enough looking at narcotics demand at home. The new Mexican administration, headed by President Carlos Salinas has also stepped up efforts at home to quell corruption and drug smuggling.

At the same time, the mix of "docu-drama" and news from NBC News also raises disturbing questions. Like other networks, it has discovered that presenting topical issues such as AIDS and abortion in a combination of documentary and drama can lift audience ratings. It is also cheaper than running a regular weekly current affairs programme.

In the Drug Wars series, NBC went one step further toward blurring the distinction between news and entertainment by allowing the producers to use NBC news tape, even though some of the Mexicans portrayed in the programme were composites of real characters.

Mr Lloyd Siegel, producer of the news reports shown after the docudrama, said he felt comfortable with the mixed format and stressed that NBC news tape was used under supervision.

THE number of murders in Medellín in Colombia rose by more than 20 per cent in 1989, to 4,015 for the city of 2m, AP reports from Bogotá. By contrast, there were 1,754 murders to end-November in New York (population 7.5m), and 438 in Washingon DC (population 630,000), supposedly the murder capital of the US.

Medellín is the headquarters of the cartel that controls much of the trade in cocaine. Gunfire was responsible for 3,546 of the deaths last year, the head of the Medellín morgue, Mr Cesar Augusto Giraldo, said. The murder total was 3,299 in 1988, he added.

BCCI laundering trial 'a watershed'

Richard Donkin previews a $14m drugs profits conspiracy case

THE trial of the Bank of Credit and Commerce International and six of its employees due to start in Tampa next Tuesday is seen as a watershed case in the US Government's campaign to starve South American drug dealers of their profits.

The bank, two of its subsidiaries BCCI (Overseas) and BCCI SA, and six of its officers face charges of conspiring to launder $14m, the proceeds of cocaine sales. When the charges were laid in October 1988, customs officers described the investigation as the most important money-laundering case in US history.

The charges arose from operation C-Chase, a two-year US Customs investigation which involved the laundering of $36m of drug profits collected in seven US cities and culminating in 82 individual indictments against alleged couriers, dealers, and bank officers. The case against BCCI marked the first occasion that an international bank had been charged with drug money laundering since it became a crime in the US in 1986.

For BCCI, the world's largest bank without a lender of last resort, the prosecution has proved a damaging setback to its expansionary ambitions which have seen it grow since its inception in 1972 with branches initially in the United Arab Emirates, the UK and Luxembourg to an institution with 424 offices across 73 countries.

The bank, which is registered in Luxembourg but run from offices in Leadenhall Street London, is owned by a group of about 50 mainly Middle East investors including the ruling family of Abu Dhabi and the Bin Mahfouz family which controls National Commercial Bank, Saudi Arabia's principal bank.

The charges led to a qualification in BCCI's 1988 accounts, published in May 1989, which also recorded that the bank had made a $48.7m loss for the year to December 31 1988 compared with a profit of $37.5m in 1987. Its operating profit had increased to $192m but the bank needed to make higher provisions for bad debt in Nigeria where it has $200m debt exposure.

The other shareholders injected an extra $100m into the bank's equity, the second time in recent years that they had been called upon to help the bank out. Five years ago a $150m call was successfully made on the shareholders to make good a $260m loss on options dealings. The bank continues however to maintain a high liquidity. Its last account showed deposits of nearly £19bn with loans of $9.8bn. Its total assets are $20bn with capital of $1.5bn.

While its principal supervisor is the Luxembourg Monetary Institute, the bank is also subject to monitoring by a group of four European central banks. The monitoring group, which includes the Bank of England, was set up as a result of concern with BCCI's relatively small presence in Luxembourg where it is registered. The group first met in May 1988 before the laundering charges were laid.

The trial, which could last between four and six months, arose from one of a series of US Customs and Drug Enforcement Agency operations designed to flush out drug laundering activities of US gangs acting for the Medellín drugs cartel in Colombia.

Customs officers working under cover, pretending to represent businesses such as cinemas and restaurants used to taking large amounts of cash daily, provided a laundering framework to tempt the drug dealers.

The operations led to agents using a number of ways of channelling cash into the banking system. The most sophisticated scheme which they used in BCCI was to take out a short-term deposit at a branch of a bank in one country while obtaining a matching loan from a separate branch in another country which could then be wired on to the drug dealers in Colombia.

The BCCI officers never took any payments for the transactions other than their salaries and the bank's only profit from the scheme was the 1.5 per cent difference in the loan interest against the interest on the term deposit and commission fees from issuing the counterbalancing loans.

The transactions themselves are unlikely to be contested by the defence in the case. The trial is expected to hinge on whether the bank officers who dealt with agents were aware of the origin of the funds. The prosecution is seeking to establish this central question of awareness using transcripts of 1,200 tapes of conversations between Customs agents, bankers and money launderers.

The bank could face a fine of up to double the amount alleged to have been laundered and forfeiture of bank property used by the alleged launderers.

Use of artificial hearts banned after FDA quality inspection

By Roderick Oram in New York

ALL further use of the only artificial human heart has been banned by the US Food and Drug Administration because of poor manufacturing quality and other shortcomings.

The maker, Symbion, said it had no comment until it had reviewed the situation. Called the Symbion J-7, the heart was first known as the Jarvik-7.

Its designer, Dr Robert Jarvik, is no longer connected with the tiny company based in Tempe, a suburb of Phoenix, Arizona.

The Food Drug Administration withdrew permission for Symbion to implant in patients a further seven hearts as part of a continuing experiment.

While the Symbion J-7 was the only permanent artificial replacement for human hearts, temporary bridge hearts are available from other makers.

The 440-day record for life with an artificial heart was held by Mrs Carolyn Stadler, a 57-year old Missouri woman. She died last week, however, after receiving her second human heart transplant.

Only a few artificial hearts have been implanted in humans and recipients have suffered from strokes and blood clotting.

The FDA said two inspections of Symbion's plant last year found lapses in manufacturing quality which were serious enough to endanger patients' lives.

The company had also failed to notify the agency of adverse developments, to properly monitor research sites, to service equipment and to train personnel.

Last year, 1,630 heart transplants were performed in the US of which all but a handful involved donor organs rather than artificial hearts.

For the nine months ended September 30, Symbion reported a loss of $634,000 before asset disposals on sales of $2.5m against a loss of $622,000 on sales of $4m.

Symbion also makes other medical devices such as hearing aids. But the FDA also withdrew approval yesterday of its acute ventricular assist device.

● About half of Americans say job stress affects their health, personal relationships and abilities to do their jobs, according to a Gallup poll released yesterday, AP reports from Washington.

Japan steps up anti-dumping battle with EC

By Robert Thomson in Tokyo

JAPAN is stepping up its campaign against anti-dumping actions by the European Community. It is preparing a submission to the Uruguay Round of trade liberalisation talks under the General Agreements on Tariffs and Trade (Gatt) condemning the "abuse" of anti-dumping measures and calling for amendments to make present regulations more "transparent".

Japanese officials are also preparing a clarification of their views for a Gatt disputes panel which is discussing Tokyo's complaint against anti-dumping action by the EC on parts imported from Japan for assembly within the EC.

The submission in the trade talks, which has been circulating informally and will be formally released in coming weeks, expands on demands that the Anti-Dumping Code be amended "to provide greater uniformity and transparency". It requests that changes be made to the definition of "associated" companies, the criteria for determining injury, and in the assessment of "public interest".

On the last point, the submission argues that "anti-dumping measures greatly affect not only domestic producers but also the entire national economy", and requests that a footnote be added to the code: "Before imposing anti-dumping duties, the authority shall take into account its impact on the entire national economy."

The submission argues for an overhaul to the dispute settlement process, which now calls for three months of conciliation before the establishment of a dispute panel. Japan wants the conciliation to be "a matter of discretion" and the introduction of a "fast track to the establishment of a panel" to be introduced to establish a panel.

An initial Japanese submission on the anti-dumping code was tabled last July, but the government felt the need to table a second submission, and reserves the right to to make further submissions, particularly on the issue of dispute settlement.

The initial submission contained recommendations on the calculation of a product's cost, exchange rate fluctuation, and, among other things, the imposition of dumping duties on exporters not subject to an investigation. The Ministry of International Trade and Industry (Miti) said that anti-dumping duties had been imposed on 32 Japanese companies by the US and EC up to the start of last year.

Miti also said claimed an increasing number of countries supported its campaign on anti-dumping actions.

Japan has been frustrated by the levying of anti-dumping duties on products being assembled in the community from imported parts, as well as the imposition of duties on finished products. The EC has already ruled that parts for electronic typewriters, scales and copiers, as well as hydraulic excavators and video cassette recorders, are being dumped.

Daihatsu plans Polish car plant

By Robert Thomson

DAIHATSU MOTOR, the Japanese vehicle manufacturer, yesterday announced proposals to set up a car assembly plant in Poland, but said it had shelved plans for a full production facility.

The Japanese company, closely linked to the Toyota Motor group, said that a plant assembling 5,000 to 6,000 cars a year could be opened in Poland early next year, while a production facility would take much longer.

Mr Tomonaru Eguchi, the company's chairman, said the priority was to produce cars, and the assembly plant was the most efficient means.

The earlier plan called for Daihatsu and Fabryka Samochodow Osobowych (FSO), a Polish state corporation, to manufacture jointly 120,000 units a year of the Charade, a 1,300cc car. Daihatsu had faced difficulty securing the loans needed of Y100bn from the Japanese government.

Daihatsu said the new plan had been presented to FSO, which is expected to accept. Daihatsu said the company hoped to get financial assistance, in the form of soft loans, for the project from the Japanese government, and said that a joint production venture was still a possibility.

Under the new plan, production would increase to 10,000 units a year in 1992, with an ultimate aim of 120,000 units annually. Parts will be progressively purchased in Poland, although the initial product will be complete knock-down kits.

The Daihatsu proposal follows an announcement this week by Suzuki, another Japanese manufacturer, of a joint production venture for passenger cars in Hungary in which the World Bank affiliated International Finance Corporation (IFC) will have a 10 per cent stake.

Output at that plant is expected to start at 15,000 units in 1992, rising to 50,000 units annually after three years.

US attack on corporate groupings challenged

A SENIOR Japanese businessman, Mr Takuji Matsuzawa, vice-chairman of the Keidanren business confederation, has challenged US criticism of Japan's corporate groupings, the "keiretsu," calling them "Japan's capitalistic brainchild," Robert Thomson reports.

Mr Matsuzawa, former chairman of Fuji Bank, said that the keiretsu "guarantee high-quality products and stable supply." "If Americans realise that keiretsu are a good idea, they should introduce the same system."

The US has complained that the keiretsu system, which tends to encourage intra-group purchases, is a trade barrier, and US representatives have highlighted the issue at the Structural Impediment Initiative talks on bilateral trade.

The Organisation for Economic Co-operation and Development noted in its just-released survey of Japan that intra-trading, excluding financial transactions, in the six largest keiretsu amounted to about 10 per cent of their total sales. But it estimated that 60 per cent of non-life insurance and pension fund management for employees was supplied by companies with ties to the keiretsu.

Czechoslovakia to ease curbs on joint ventures

By Charles Leadbeater, Industrial Editor

THE CZECHOSLOVAK government is planning to redraft its law covering joint-ventures with foreign companies, as part of a thorough overhaul of legislation dealing with inward investment, according to Western industrialists recently in Prague.

The Czech redrafting is the latest in a series of East European moves to relax joint venture laws in an effort to attract foreign investment.

It follows a similar move in the Soviet Union. The East German government this week indicated that its new law, expected to be introduced soon, might permit foreign investors to take majority control of a joint venture in some circumstances.

The Czechoslovak law has been criticised by companies contemplating joint ventures for being more restrictive than regulations in other Eastern European countries.

Under section 11 of the joint venture code, which was introduced a year ago, profits are taxed at 40 per cent. Unlike Poland there are no tax incentives to encourage exports.

Joint ventures are required to contribute 50 per cent of the wage bill to the social security fund and between 5 per cent and 10 per cent of earnings to reserve cultural and renumeration funds. Dividend payments transferred out of the country are taxed at up to 25 per cent.

The law also implicitly insists that joint ventures earn their hard currency through exports to the West. There are no legal provisions to allow koruna earnings to be repatriated as hard currency profits.

Joint ventures also face sourcing difficulties. Section 9 of the law protects ventures from production targets or compulsory deliveries imposed from above. But as a consequence they have no right to state allocated raw materials or energy deliveries. Joint ventures also have to apply to the Federal Ministry of Foreign Trade for a licence to engage in foreign trade.

The industrialists said they expected some details of the new law to be unveiled at a major conference on inward investment to be held in Prague between February 14-17.

The conference, which will be addressed by the vice president and the ministers for foreign trade and finance, is the furthest yet the Czech government has gone in attempting to woo Western investors.

Industrialists believe the redrafting will allow companies to repatriate profits, allow foreign companies to take a majority stake in a joint venture, ease the rules on foreign trade and clarify the legal status of foreign companies operating independently in the country.

They also believe the government may relax restrictions which mean government officials can decide how much joint ventures can reinvest from their foreign currency earnings. Investors complain the law, which sets a minimum of 5 per cent and a maximum of 60 per cent for foreign currency reinvestment, gives the government the power to determine which joint ventures will flourish.

● Imperial Chemical Industries, the British chemicals company, has opened an office in Kiev in the Soviet Union, because decision-making on purchasing has become so decentralised that its office Moscow can no longer handle all orders.

Turkey cuts more tariffs for imports from EC

By David Buchan in Brussels

TURKEY has made a further 10 per cent tariff cut this month on industrial imports from the European Community, despite the European Commission's rebuff last month of Ankara's bid to join the Community.

The tariff cut is in line with the longstanding EC-Turkish agreement to move towards free trade. But the fact that Ankara is pursuing tariff reduction is taken in Brussels as confirmation that the Commission pitched the tone of its opinion on Turkish membership about right.

It rejected any entry negotiations with Ankara at least until after 1993, but promised maximum co-operation within existing agreements.

In spite of the tariff move, which brings the duty on EC industrial imports down to 40-50 per cent of that which Turkey levies on other countries's goods, the Commission still complained yesterday about Turkey's special import levies to finance housing and other projects.

Airlines balk at Danish tax

Three European airlines – British Airways, Air France and Lufthansa – are refusing to pay an airline tax imposed by the Danish government with effect from the New Year, claiming that the tax flouts EC law, Hilary Barnes reports from Copenhagen.

The Danes have put a DKr300 (£28) tax on all airline tickets sold with a rebate, such as ordinary economy class fares. There has long been a similar tax charged on tourists using package tour all-inclusive holidays by air.

The Danish authorities say that by imposing the tax on other airlines they have equalised conditions between charter tour operators and the other airlines.

But the airlines claim that economy class fares cannot be compared with all-inclusive charter fares and say the tax goes against EC transport policy by discriminating against air travel, as the tax is not imposed on bus or train fares.

Hong Kong toy makers ignore the crackdown

By Michael Marray in Hong Kong

HONG KONG toy companies are becoming more reliant than ever upon China as a base for their manufacturing activities, in spite of the political uncertainty in the wake of last year's crackdown on the democracy movement.

The trend towards shifting production across the border into neighbouring Guangdong province in order to take advantage of low labour costs continued in 1989. For the January to October period Hong Kong's domestic exports of toys fell by 29 per cent to HK$6.1bn (£474m), while toy re-exports of China origin grew by 56 per cent to HK$20.1bn.

Speaking this week after the opening of the Hong Kong International Toys and Games Fair, Mr Dennis Ting, chairman of Kader Industrial, said that he expected the link between Hong Kong and China to strengthen in the coming year.

Companies are bringing new equipment into China, Mr Ting said. Though Hong Kong businessmen had paused to examine their investment plans in the wake of June 4, they were now once again looking at setting up new production plants in China. Production at existing factories was not affected by the political upheaval.

Many Hong Kong toy companies have examined other south-east Asian countries in order to diversify their production base, but have found China hard to beat because of its low labour costs and easy access from Hong Kong.

Thailand has been a favourite alternative for Hong Kong toy manufacturers, but Mr Ting said that it had infrastructure problems arising from its fast economic expansion, particularly in its congested port facilities.

Hong Kong's domestic exports of toys for the whole of 1989 are estimated to have reached HK$7bn, with re-exports worth another HK$25bn. Taken together the figures put Hong Kong toy companies on top of the league table for world toy manufacturers. Local manufacturers are hoping for moderate growth in 1990, after a late surge in retail sales during December helped clear inventories in the US, which takes around 40 per cent of Hong Kong's toy exports.

Panama still concerned at effects of shipping ban

By Tim Coone in Managua

PANAMA'S Ship Registry, SECNAVES, stands to lose as much as 11m tonnes of shipping to other registries as a result of the US ports ban imposed last December, even though the ban was lifted following the invasion of Panama at the end of the year.

Dr Guillermo Marquez, the new director-general of SECNAVES told the FT recently that so far only 12 ships had cancelled since the ban was first announced, but that the owners of a total of 560 ships had instructed their lawyers to begin cancellation procedures.

At the end of last August 12,149 ships were flying the Panamanian flag, grossing 66.8m tonnes. Dr Marquez said that of the 40 to 50 owners planning to change registries some had decided to suspend their cancellations following the US invasion.

Dr Marquez replaces Dr Hugo Torrijos, under whose nine-year directorship SECNAVES doubled the world's shipping tonnage flying the Panamanian flag. Dr Torrijos offered his resignation last October in the midst of the growing political crisis, but it was refused.

Dr. Marquez is a graduate of maritime law, has previously worked in the legal department of SECNAVES, and has also held posts in the Panamanian Ports Authority and the Panama Canal Commission.

Panama's Maritime Safety Office in New York is to be reopened and regular annual inspections of ships on the registry will be resumed as soon as staff can be put in place.

BNP arm fined for violation of investor code

By David Waller

THE UK arm of Banque Nationale de Paris, the largest French state-owned bank, has been reprimanded and fined £30,000 by the Securities Association, the second largest fine imposed by the self-regulating body under the investor protection regime set up by the Financial Services Act.

BNP was fined for breaches of the Association's rules in a number of areas. TSA said yesterday that BNP permitted an employee who was not a registered person under TSA's rules to place orders on behalf of customers between April 29 1988 and November 30 1988, and between July 1st 1988 and November 30 1988 to have sole responsibility for both the front and back offices of BNP's Investment Department.

The TSA said that during that period: contract notes were not sent out to certain BNP customers; records of bargains were not made as soon as practicable after they were executed; and, in the case of one customer, an appropriate risk warning relating to a traded option purchase was not issued.

BNP was also criticised for failing to notify the Association as soon as the breaches of the rules came to the firm's notice.

The TSA said yesterday that it took a serious view of the breaches but recognised that investors' funds were not at risk in this case and that there was no evidence that any customer had been disadvantaged. It noted that the investment department was in the process of being wound down during the period in question and that investment activity was limited to a few purchase transactions and sales to close existing positions.

BNP has admitted being in breach of the rules and has agreed a settlement on the terms above. The highest fine so far meted out by TSA was for £50,000, imposed on Phillips & Drew in December 1988 for failing to meet TSA's minimum capital requirements and for failing to submit its quarterly returns on time.

Mr Robert Amzallag, managing director of BNP's UK operations, said that the delay in reporting the breaches of the rules following a compliance review was in part attributable to a lack of understanding of the rules. He said that the department was in the process of being wound down and offered services to only a limited number of private clients.

Objections lodged over UK dumping in the North Sea

By John Hunt, Environment Correspondent

THE ENVIRONMENT Ministries of Holland, Denmark, Sweden, Germany and Norway have objected to the British Government over the possibility that British companies will continue to dump chemical and pharmaceutical waste in the North Sea in the coming year.

Under the terms of the North Sea Conference of 1987 Britain agreed to phase out dumping of industrial wastes in the North Sea by the end of 1989. The exception was for materials which can be shown to cause no harm to the marine environment and where no safe land-based disposal options exist.

Licences for North Sea dumping are now up for annual renewal for the pharmaceutical division of Fisons PlC, 6,000 tonnes, Sterling Organics Ltd., 42,000 tonnes and Orsynetics Ltd., 3,000 tonnes. Britain has given pre-notification of this under the terms of the Oslo Convention. But the Scandinavians and Germans have complained to the Ministry of Agriculture that the information does not meet the agreed criteria.

They say there is inadequate data on toxicity tests and that no monitoring was planned.

Mr Paul Horsman, toxics campaigner for Greenpeace, the environmental organisation, said last night that it was "broken promises and business as usual" for Britain in the North Sea.

But Mr David Curry, Parliamentary Secretary for Agriculture, said that Britain was commited to phasing out dumping of industrial waste at sea. However, the Government was not prepared to terminate sea disposal prematurely if the alternative was land disposal by environmentally unacceptable methods.

He said sea disposal was perfectly safe and wastes were exhaustively tested to ensure that they do not harm sensitive marine species.

Dr Peter Woods, group public affairs director of Fisons, said that the company had applied for renewal of its licence to dispose of liquid waste from the production of Intal, the drug for dealing with asthma.

He said that none of the by-products was toxic and that the application had only been made on a contigency basis.

Rift at hotel group undermines control

By Andrew Hill

A BOARDROOM rift at Norfolk Capital Group threatens to undermine the hotel company's fight against Balmoral International, which owns a 12 per cent stake and wants to take over management.

Two of the five Norfolk directors – Mr Tony Good and Lady Eileen Joseph – have called for the resignation of Mr Peter Eyles, Norfolk's managing director. They also want Mr Peter Tyrie, Balmoral's managing director, to become a non-executive director.

At a special shareholder meeting later this month Mr Good and Lady Joseph will vote against Balmoral's proposal to oust Mr Eyles, but they believe he should leave as soon as a replacement is found. They will also vote against the appointment of two other Balmoral executives.

A circular rejecting Mr Tyrie's plans and containing details of the split was sent to Norfolk shareholders yesterday, less than a week after Mr Good himself helped draft a press release from the board unanimously rejecting the Balmoral proposals.

Mr Good and Lady Joseph, who have been openly critical of Mr Eyles at board meetings, said yesterday that their position was entirely consistent.

Mr Tyrie approached the two directors in November. His plans for a management contract between Balmoral and Norfolk were made public in December.

US state takes special status to trade in UK

By Patrick Cockburn

US life insurance companies wishing to do business in the UK without establishing an office - normally with the intention of selling to Americans resident in the UK - will be able to do so more easily in future under a little used section of the 1986 Financial Services Act.

The first US state to take advantage of this is Pennsylvania, which has been given "designated territory" status under the act from February.

This means that any insurance company authorised to carry on business in Pennsylvania will be able to do so in the UK provided they join the appropriate self-regulating organisation.

Mr Robert Smith, a partner in London solicitors Lawrence Graham, which assisted the Pennsylvania Insurance Department in negotiations with the Department of Trade and Industry, said that US insurance companies taking advantage of designated status were primarily interested in the 142,000 Americans resident in the UK.

He said that, in practice, achieving designated status had proved easy and was the most efficient way for a US insurer without a European operation to promote its products in the UK. Designated territory status has already been achieved by a number of counties such as Bermuda, Channel Islands and the Isle of Man but this is believed to be the first time it has been used by a state from outside the traditional tax haven countries.

IN BRIEF

Government faces new revolt over poll tax

THE Government faces a fresh rebellion on the Conservative backbenches over the planned introduction in April of the community charge, or poll tax, after confirmation from Ministers that no significant changes are to be made.

Several Tory MPs at Westminster were threatening to abstain or vote against the Government at the end of next Thursday's debate to approve the final revenue support grant settlement for 1990-1. Though government whips appear confident that any revolt can be contained, more than 20 Tories may decide not to back the government over the introduction of the poll tax and the uniform business rate which are to replace the old property-based rating system.

New attack on SIB

A second City of London regulatory agency joined the attack on the Securities and Investments Board when it condemned the umbrella regulator's centralist ambitions. The move underlines growing concern over the regulatory structure of London's financial markets.

The Association of Futures Brokers and Dealers says in a letter to its members that the SIB's recent Forward Look document gives a "disturbing" message to London's financial markets.

The critical tone of the letter – a much watered down version of a condemnation delivered to the Department of Trade and Industry and to the SIB – is evidence of a rising wave of protest among London's self-regulatory organisations (SROs). The AFBD letter follows the release on Tuesday of an eight-page document by the Investment Management Regulatory Organisation taking the SIB to task for much the same reasons.

Ballet talks adjourned

Talks between The Royal Opera House and dancers held at the Advisory, Conciliation and Arbitration Service were adjourned after seven hours of discussions. They will resume today. Dancers rejected a 15 per cent offer, linked to productivity gains, from their employer.

Lloyd's market reduced

Some 2,321 members of Lloyd's of London, the insurance market, resigned last year reducing membership of the market to 28,386. Some 300 new members began underwriting from the beginning of the year.

NatWest backs Brussels

National Westminster Bank, UK clearing bank, gave its full backing to European Commission efforts to open up financial services and said it might expand on continental Europe in insurance, leasing and commercial mortgaging.

'Delay irradiation' call

The Government should delay implementing its decision to legalise the irradiation of food until European Community-wide regulations are agreed, the House of Lords Select Committee on the European Communities said.

Job for ex-defence boss

George Younger, the former Defence Secretary, was elected deputy-chairman of the Royal Bank of Scotland Group. Younger resigned from the cabinet last July to become a director of the Edinburgh-based institution.

Business failures rise

The number companies going into receivership rose by 38 per cent last year, up from 858 to 1,187, according to figures released by the accountancy firm, KPMG Peat Marwick.

Bank buys into software

Computacenter, a private group which reckons to be the largest IBM personal computer dealer in the UK, has sold 30 per cent of its equity to Investcorp, an international investment bank. Investcorp paid £22m for its stake, valueing the Computacenter group at about £80m.

Shipping group expands

Altnacraig Shipping, one of the most successful of the shipping companies launched under the Government's Business Expansion Scheme, announced the acquisition of its sixth ship in less than two years. The announcement means Glasgow-based Altnacraig now employs more than 100 seafarers on board its fleet of British-flagged bulk carriers.

Prison service revamp

The management of the prison service may become one of the Government's new executive agencies, operating at arms-length from Whitehall, under proposals announced by David Waddington, Home Secretary. The proposals would replace the present prisons board with operational directorates, and introduce a new team of area managers.

Air officials look to US to solve controller shortage

By Paul Betts, Aerospace Correspondent

Under pressure: Air traffic controllers on duty at Manchester airport

BRITAIN is considering recruiting experienced air traffic controllers from the US to help reduce the shortage in UK civil air traffic controllers.

The Civil Aviation Authority (CAA) also said yesterday it was examining several other initiatives to resolve the controller shortage including plans to re-train former military controllers for civil duties.

The Authority said plans to provide re-training for former military controllers were advanced, and that preliminary consideration had been given to overseas recruitment.

It said the US was a potential source of experienced controllers because of the large number of such workers there and their early retirement provisions. US controllers would be given additional training to meet UK civil licensing standards.

But the CAA said it was not planning to recruit controllers in Europe at this stage because most European countries are also experiencing controller shortages.

In the UK, there is currently a shortage of about 120 controllers. Moreover, the CAA estimates that 600 new controllers will be needed by 1996.

In all, there are at present about 1,600 controllers in the UK, including 1,300 directly employed by the CAA.

More than 130 air traffic control cadets are now being trained at the CAA's College of Air Traffic Control at Bournemouth. The intake of cadets is expected to be increased to 200 this year and to 240 from next year onwards.

The expansion in recruitment of new controllers is an integral part of the CAA's efforts to improve air traffic control operations at a time of growing congestion in the air. The CAA is in the middle of a £600m 10-year investment programme to modernise the air traffic control system.

PA adds: The union representing controllers described the US recruitment plan as "a political gimmick."

It was "expensive, unnecessary and would not work," said Mr Bill Brett, general secretary of the Institution of Professionals, Managers and Specialists, which represents the CAA's 1,300 controllers.

He said that in the autumn his union put forward proposals that would have allowed UK controllers to work up to 15 extra days per year.

Details of new agreement between Eurotunnel and Transmanche Link

Channel tunnel total cost raised to £7.2bn

By David Lascelles Banking Editor

THE CHANNEL tunnel is to cost much more than originally planned. But the risk of overruns has been sharply reduced, and the contractors are to bear a bigger share of excess costs.

These are the main points of a new agreement announced yesterday between Eurotunnel and Transmanche Link (TML), the constructors consortium, in an attempt to resolve their financial crisis.

The deal should lead to a reopening of Eurotunnel's £5bn credit lines, which have been frozen by its bankers since the company confirmed in October that the tunnel would cost significantly more than previous estimates. The lead banks of the 208-bank consortium have said they are willing to recommend acceptance of the new deal, but the terms will have to be put to a vote - a process which will take several weeks.

However, TML has already received a payment of Ffr 416m (£44m) which had been delayed by Eurotunnel because of its financial problems. This means a French legal action launched by TML to recover the money will lapse.

TML said the agreement was "satisfactory and fair." Its ten British and French member companies were confident they could hold construction costs to the level agreed with Eurotunnel and the banks.

The new deal includes:

- Total projected cost of the tunnel raised from £5bn to £7.2bn;
- Contractors to bear 30 per cent of all overruns on the tunnelling costs, rather than six per cent of the target cost, as originally agreed. However, the target cost has been raised from £1.29bn to £1.58bn in 1985 prices. The contractors will also continue to receive a fee of 12.36 per cent of the target cost.
- Contractors have agreed to limit their fees on procurement items such as rolling stock to £60m, compared to the latest open-ended estimate of £73m.
- A fresh set of bonus/penalty milestones have been agreed to give the contractors greater incentives to keep the project on schedule;
- Both sides have agreed a number of cost-saving measures which amount to slightly over £100m. The main one is a reduction in planned train speeds from 100mph to 80mph, though Eurotunnel says this will not affect throughput capacity or revenues. Eurotunnel will also be cutting its supervision overhead by 25 per cent.
- Both sides have reaffirmed the target completion date of June 15 1993.

The one area where there remains a conspicuous lack of agreement is over the so-called lump sum work, which includes terminals and tunnel equipment.

The contractors, who receive a lump sum payment for this work, claim that costs are £380m higher than Eurotunnel estimates.

Although the project's independent consultants, the Maitre d'Oeuvre, supported Eurotunnel's figures, the contractors are now threatening to take this dispute to arbitration. However, this will not hold up the work.

Although the acceptance of soaring costs marks a serious setback for Eurotunnel, yesterday's deal also puts a tighter discipline on the contractors by forcing them to bear a bigger share of overruns.

By Eurotunnel's estimates, TML must keep the tunneling costs below £1.95bn in 1985 money to avoid making a loss on that part of the contract. With bank approval, Eurotunnel will be able to draw down between £350m and £400m until mid-May when further financial appraisals will have to be made. By then, Eurotunnel will have devised terms for additional financing which will probably consist of £1bn in new bank credit lines and a £350m rights issue.

Ford deal drives pay policy into cul-de-sac

The Government battles an old foe in a fight against wage rises, writes John Gapper

It is like the old days again. In a dingy cul-de-sac in Bayswater, west London, 50 male union stewards and officials reject a double-figure pay offer at late-night talks. Ministers complain of wage rises costing jobs. A newspaper headline proclaims that "pay policy" has been undercut.

Despite a decade of legislation intended to make the labour market more flexible; despite the fall in the number of traditional male jobs in manufacturing industry; despite the growth of part-time jobs in service companies, the Ford pay talks have retained their old mystique.

The Government has re-discovered an old foe in the Ford unions' national joint negotiating committee. The Prime Minister's declaration that pay increases are again one of the Government's main economic concerns has re-focused attention on the traditional pay tussle at the company.

But the pay and productivity issue spreads wider than Ford. The offer of 10.2 per cent in the first year of a two-year deal at Ford only matches the second year of a deal at Nissan in Tyne and Wear, in the north-east, which is seen as one of the most flexible and productive of UK car plants.

Mr John Major, the Chancellor, has emphasised the need to keep down unit wage costs. Although the year-on-year increase in earnings was running at 9.25 per cent in October, he is more worried by the 5.2 per cent increase in manufacturing unit wage costs year-on-year to the same month.

There is little sign of a let-up in wage pressure. January deals monitored by Incomes Data Services, the pay research group, were bunching between 7.5 and 10 per cent. Unions representing 750,000 local government office staff yesterday submitted a 14 per cent claim.

The pay deals under the direct control of the Government provide little more cheer. The pay review bodies for health workers including doctors and nurses, and other senior government employees, will report shortly. Recommendations of increases above inflation would cause more problems.

But the private sector companies singled out for scrutiny by ministers face a range of other pay pressures as well. For multi-national employers, there are labour costs in different countries. For British employers, there are the increasing difficulties of getting skilled workers.

Ford faces both. The total labour cost of building a Fiesta car in 1989 was $1,431 (£862) at Dagenham and $780 at Valencia in Spain. The labour cost of a Sierra car was $1,568 at Dagenham and $1,007 in Genk, Belgium. The transfer of Sierra production to Genk next year has raised worries about the future of Dagenham.

Wage costs in Britain are low compared to other European countries, as the table below illustrates. But the Ford's unit wage costs also depend on capital equipment and the way it is used. The Prime Minister's warning about wage rises leading to job losses has direct resonance for Ford managers.

Motor industry labour costs

Gross hourly wage in 1988 (D-Mark*)

*£ = DM 3.12 (1988 average) Source: VDA West German Motor Industry Association

None the less, the strike threatened by Ford's tough union negotiators – led by Mr Jack Adams of the TGWU transport union and Mr Jimmy Airlie of the AEU engineering union – is not the only motive for the company to offer pay increases of up to 20.5 per cent for some employees.

Electricians and other craft workers who train in electronics skills have been offered a five per cent extra pay increase. They are the workers in shortest supply at Dagenham. Ford, along with other employers, has increasing trouble attracting and retaining such workers in the south-east.

The offer also includes another five per cent increase for workers joining "integrated manufacturing teams" to be established in the most automated parts of the company's plants, such as the Fiesta underbody complex at Dagenham. Ford says these teams will help raise productivity.

The complex pressures of companies leading to double-figure increases are also to be found at Sharp Manufacturing in Wrexham, north Wales. The company has just awarded production workers an overall pay increase of 10.2 per cent after talks with the EETPU electricians' union.

Mr Michael William, Sharp's general manager personnel, says the deal would not have been significantly different even if the company had been non-unionised. It includes a 7.5 per cent basic increase, a long-service allowance costing 1 per cent, and an absenteeism scheme costing 1.6 per cent.

Mr William says the increasing difficulty the company faces in attracting and retaining staff was one of the main motives for the added elements of the pay deal. Unemployment in the area has fallen from 21 per cent in 1985 – when the plant was established – to about 7 per cent now.

"We have particular difficulty in recruiting skilled people, like other electronics companies," he says. He argues that the Government is wrong to put the blame on companies for fuelling higher inflation when higher mortgages and inflation mean they must pay people more to retain them.

Sir Denys Henderson, chairman of Imperial Chemical Industries, one of Britain's biggest manufacturing companies, was taken to task by the Prime Minister for the inflationary effect of the company's 9.6 per cent pay award last summer. He argues that the company "could not settle in isolation from other companies."

Sir Denys now emphasises the drive on costs taking place within ICI in an effort to recoup some of the rise in unit wage costs that the pay deal causes. The deterioration in the economic climate facing ICI and others is a further pay pressure on companies to keep down unit costs.

But the debate about pay and productivity is dogged by difficulties about measuring the origins of changes. Although companies tend to argue that rises are being recouped by improved productivity, most deals set a framework rather than creating immediate and measurable changes.

The difficulty of linking pay to productivity rises is compounded for service employers where productivity tends to be harder to define. This problem is likely to face the Government over the coming months, when it has to settle pay increases for its own employees.

Mrs Thatcher's stand suggests the Government will not want to sanction pay increases of more than the rate of inflation for public sector workers unless they are clearly linked to changes in working practices. But in many areas of the public sector, this will be difficult.

Furthermore, many areas of the public sector are suffering from staff recruitment and retention difficulties because pay rates compared to similar jobs in the private sector have been held down over several years. Junior civil service posts are suffering from high vacancy rates.

The complaints of many private sector companies about the series of pressures that are now building up on them over pay are likely to be felt as strongly within the public sector. The effect will be to make the Government's renewed stand against wage inflation particularly hard to sustain.

W German productivity key to high pay

By David Goodhart in Bonn

MANUAL workers in the West German car industry are among the best paid in the world but unit labour costs compare favourably with many of Germany's main competitors – including Britain – because of high productivity.

According to the Organisation of Economic Co-operation and Development, unit labour costs in manufacturing have remained static in West Germany throughout the second part of the 1980s while they have risen quite sharply in Italy and Britain and fallen equally sharply in the US and Japan.

In the car industry itself, a study carried out at Ford in Cologne shows that cars are cheaper for the company to produce in Germany than in France or Britain despite considerably lower wages in those two countries.

According to the German Car Industry Federation, average hourly pay for a car worker in the middle of last year was DM22.80 (£8.17). That is about DM3,500 per month before tax but after various plant-level benefits.

However, German motor industry unit labour costs could accelerate if the metal industry union, I G Metall, is successful in its claim for a 9 per cent pay rise and further reduction in the working week from 37 to 35 hours.

The current metal industry agreement runs out at the end of March and both sides have warned that the negotiations, which have just begun, could be among the toughest of the post-war period. The current three-year deal gave workers a 3.7 per cent rise in 1987, 2 per cent in 1988 and 2.5 per cent in 1989, while at the same time bringing down hours from 38.5 to 37 per week. The employers reckoned in 1987 that the deal would add 4.1 per cent per year to labour costs but were reasonably happy with the phasing in over three years.

I G Metall says that both inflation and company profits were higher than expected and it will be reluctant this year to contemplate a deal of more than 12 months, at least for the pay element.

In the French car industry, basic pay rises – excluding incentives and profits bonuses were limited to about 3 per cent in 1989 against an inflation rate up to November last year of 3.6 per cent. The basic award for workers at the PSA group which produces the Peugeot and Citroen was 2.7 per cent after a strike at Peugeot. In addition, its minimum wage was lifted only from Ffr5000 (£526.31) to Ffr5400 per month. At Renault, a 3 per cent pay rise was awarded last year.

During the last two years, pay rises for the 172,000 workers at Fiat Auto, Italy's volume car produce have comfortably exceeded the nation's inflation rate, 9.3 per cent in 1988, against 5.5 per cent inflation and 6.47 per cent last year.

Minister hits out

LEYLAND BUS, owned by Swedish vehicle-maker Volvo, last night announced 380 job losses at its Lancashire plant – and ran into immediate criticism from Mr Robert Atkins, the Roads and Traffic Minister.

Volvo bought the UK company in March 1988, for a reported £22m, from a management-led consortium to which it had been sold by the state for £4m a year earlier.

Some £50m in public funds were "forgiven" in preparing the loss-making company for privatisation.

"We have been misled and deceived," said Mr Atkins. "I find it difficult not to be anything less than angry that a company with Volvo's reputation should behave in such a false and shabby manner."

MANAGEMENT

'The Countess no longer loses her chopsticks'

At a time when even the British have recognised the importance of learning foreign languages, Emrys Edwards assesses ways of approaching the task

British government spokesmen keep telling us that, like some latter-day Domesday, "1992 is coming." Also commonplace is the view that the British are bad linguists, that they should devote more time to learning foreign languages, and not only those of their EC partners.

It has been suggested that by the end of the century, a British middle manager will require an in-depth knowledge of two or three foreign languages.

Although the fact that English is now a "world language" makes the British linguistically lazy, they are not inept; otherwise, they would not possess the basic skills to be able to speak their own language.

To be able to deal with only a few countries, a Briton must learn several foreign languages, whereas a Russian, for example, has to learn only English for a large part of the world's commerce and science to be opened up to him or her.

In the same way as learning English gives a native German-speaker an entry into the English-speaking world and to countries where English is understood, the British can (in a similar but limited way) use the same technique.

They can use French or German as an "intermediate language," to speak to people for whom neither French nor German is their mother-tongue. In Turkey most technical people speak German, as they have usually completed their technical training in Germany. In the Middle-East and North Africa, if you cannot speak Arabic, French is widely understood.

Another application is the use of French or German, say, as a vehicle for learning a third language, especially another in the same language family. For instance, there is an excellent Radio Sweden course, *Schwedisch leicht gemacht* (Swedish made easy), where Swedish is taught through the medium of German.

A recent advertisement states that you can learn a foreign language while walking the dog. You may do so, but you are not going to do it in 20 or 30 hours. One should first define "learn". This can range from merely being able to order a cup of coffee, to the detailed and extensive linguistic skills essential for carrying on a high-level business discussion.

Most British personnel forms, almost as an afterthought, usually allow only a brief space for "languages." The personnel form of the Organisation for Economic Co-operation and Development in Paris is more particular, and divides language ability into "speaking, understanding, writing and reading" and further subdivides each of these into three grades of ability, starting with the highest: "ability . . . (almost as) a native".

Many years ago, a very experienced linguist told me that "vocabulary and not grammar is the secret of learning a foreign language," and before I went to France told me to "learn 10 new words each day." If you make this 11, in a year you will have learnt 4,000 new words, and in three years 12,000. This is a considerable vocabulary. Write them down on 5in x 3in index cards, and learn them every morning before leaving for work.

You can reduce the ultimate size of the vocabulary you have to learn by limiting this to your specialised field. Reading a book in, say, German on a topic in your specialised field is a good way of building up this vocabulary. It is also possible to buy generalised and specialist word-lists in most of the important business languages.

Similarly, when listening to foreign language broadcasts (perhaps the news or the sports report) you will most likely already know the background from earlier domestic bulletins. You are already half-way there.

A core knowledge of grammar is essential, as it is the skeleton on which you put the flesh of words. However, too much emphasis on correct grammar early on can destroy any budding interest, as can trying to understand every minute detail and nuance of meaning.

Many years ago an excellent series of small books* was published called The Basis and Essentials of French, German, Spanish, etc, based on another called Basic English. They gave a core vocabulary of about 850 words and the essential grammar, which you had to know.

Recently an Australian modern-language teacher realised that, despite nearly six years of study, his pupils' German was sketchy and of very little practical value. After trying out the ideas on himself, he came to the conclusion that it is possible to gain a high-degree of fluency in any language in 18 months.

There are, however, four prerequisites: you must be of above-average intelligence, be very highly-motivated, and spend two hours daily during that time. (Compare this with the "two or three weeks" often quoted in advertisements.)

Finally, and most important, he states that your learning must always be enjoyable. You should use several books, going from one to another; to save time the vocabulary should be set out on the page you are reading.

Today, there is a wealth of written and spoken course material for learning a language. Newspapers in the main European and other important business languages are widely available.

Britons can watch "foreign" TV by satellite, and listen on medium- or short-wave to foreign broadcasts. All countries broadcast extensively on short-waves, and are pleased to send their programme schedules.

They range from West Germany's very professional *Deutsche Welle* through Radio Sweden and Radio Moscow to the BBC's foreign-language service.

Of course, once you have acquired a basic working knowledge, living and working in the country will give your language a tremendous boost. As second best you can call on the services of a willing friend or colleague from that country, but preferably one who still has contact with his or her homeland.

You do not have to spend several hundred pounds on a communications receiver going from 60 KHz to 30 MHz with spin-wheel tuning, digital read-out, variable bandwidth, automatic carrier-frequency lock-on, etc; nor do you have to be an ex-wireless operator in order to listen to short-wave broadcasts.

For less than £40 you can buy a Russian-built short-wave receiver ("Selena"). It is rough inside, but it works, and covers the most important short-wave bands. You can record these broadcasts on a cassette-recorder, and play them back in the car on the way to work, or on your personal stereo when doing your daily 10-mile stint.

Most broadcasting organisations operate on a daily four-hour cycle. If you miss a programme, it is usually repeated several times later in the day. The programme schedules themselves can also serve as an up-to-date language source.

Today there are excellent courses, notably from the BBC on radio or TV. For many years Linguaphone has produced courses covering a wide range of languages from Irish Gaelic to Japanese. You can even try Arabic with two books and cassettest entitled, in typical English vein, Write to Left.

There are day and evening classes available at most local and technical colleges and polytechnics, which can often offer in-house language courses to companies.

However, only you yourself can decide whether you need the discipline which comes from attending a class, or whether you prefer to learn in your own time and at your own pace.

Boring school lessons when you suffered French, German or whatever are a thing of the past. A recent BBC2 educational programme showed a secondary school in Buckinghamshire with highly imaginative modern-language teaching, where parents could come into the school at eight in the morning to learn French, German or Spanish for their holidays.

Modern language learning avoids such phrases of limited use as: "The Countess has left her chopsticks in the barouche." Coming back later in life to the languages you learnt in school, you will be pleasantly surprised to find that you remember more than you realised, and have the bedrock on which to re-start.

Learning a foreign language does not have to be the misery it once was, and recent research into learning habits reveals that adults are much more efficient learners than children.

Another important aspect of learning a language, for instance, German, is that you begin to see the world and its events through German eyes, to understand the German way of life and history. This is equally important if you are trying to sell to them.

The British immediately focus on French as soon as they think of foreign languages. Two World Wars have blinded them to the very great importance of German. As well as in both Germanies, it is spoken throughout Austria and in large parts of Switzerland. It is understood in Czechoslovakia and Hungary, and, for historical reasons, in the Balkans and Turkey, as well as in the Netherlands and Scandinavia, although in both those countries English tends to be the second language.

Once you are past the initial stages of learning a foreign language, however good the course, or the teacher, or the text-book, it finally depends on how much you yourself want to learn the language.

Learning a language is most effective if it is done regularly and continuously, and by hearing it spoken. A quarter of an hour morning and evening is better than trying to catch up with a 3 or 4 hour crash course on Sunday morning.

The hardest part of learning foreign languages is learning the first one.

**By Charles Duff, published by Thomas Nelson. Occasionally still available from "out-of-print" booksellers.*

†Macmillan.

How restrictive can contracts be?

By Michael Dixon

Does the private sector now require the equivalent of an Official Secrets Act to protect employers from betrayal at the hands of trusted employees? The question has grown in importance with the onset of the information age and avid worldwide rivalry for trade. Never before can companies have stood to lose so much through the migration of staff.

The issue has been brought into sharp focus by the appointment of Andrew Knight as a top executive of Rupert Murdoch's News International when only 60 days before he had been a director of Conrad Black's rival Daily Telegraph company. Black has declared that it raises questions of ethics, and criticised Knight for failing to leave a "decent interval" between departure and re-emergence on the other side. Knight has argued in reply that the six-month gap between leaving his executive duties at the Telegraph and joining News International is more than decent.

Since high-rank side-swapping is common in business, cynical observers may attribute the excitement the UK's press has shown over the case to newspaper narcissism. Such cynicism is denied, however, by the minuscule press coverage of a more salient while equally parochial case three years ago.

Peter Henderson, a production editor on London's Evening Standard, accepted the offer of a similar job with a direct competitor. The interval he proposed to leave between jobs was only about 60 days. His employer sued to bar the move – and won.

The difference in these cases was that the Evening Standard had the production editor under a contract forbidding him to work elsewhere while it held force, and stipulating 12 months' notice of withdrawal. The court upheld those terms.

The Standard had to pay Henderson for staying at home throughout the period of notice. It evidently believed the price worthwhile because he had skills in producing a newspaper by new technology, which at the time were rare. That belief may well have been right. The rival concern was the now defunct London Daily News.

The outcome serves to show that UK companies which are legally astute can avoid high costs through defections to competitors without a private-sector equivalent of the Official Secrets Act. Moreover, the same apparently applies in most other parts of the world.

"Leaving out countries that bar people from doing most things, I don't know of any which has statutes – as distinct from civil or common law rulings – imposing restraint on what work the general run of employees can take up after leaving a company," says Phil Turner of the London-based Employment Conditions Abroad consultancy.

What statutes do not do, however, the general run of companies can achieve at least to a limited extent through employment contracts or additional restrictive covenants. The legalities of doing so are labyrinthine everywhere.

The complications of the matter in the UK are outlined in a report on employee competition and confidentiality, published for subscribers by Incomes Data Services*. Its good news for employers is that they can certainly find legal ways of preventing their trade secrets and trade connections from being passed into the unfettered hands of a direct rival.

The bad news is that there are still many other ways abilities and contacts gained at their expense can be turned against them by a former employee joining a competitor. Moreover, to judge by the cases in the report, the chances of a restrictive contract being made to stand up in court are small compared with the risk of its collapsing expensively.

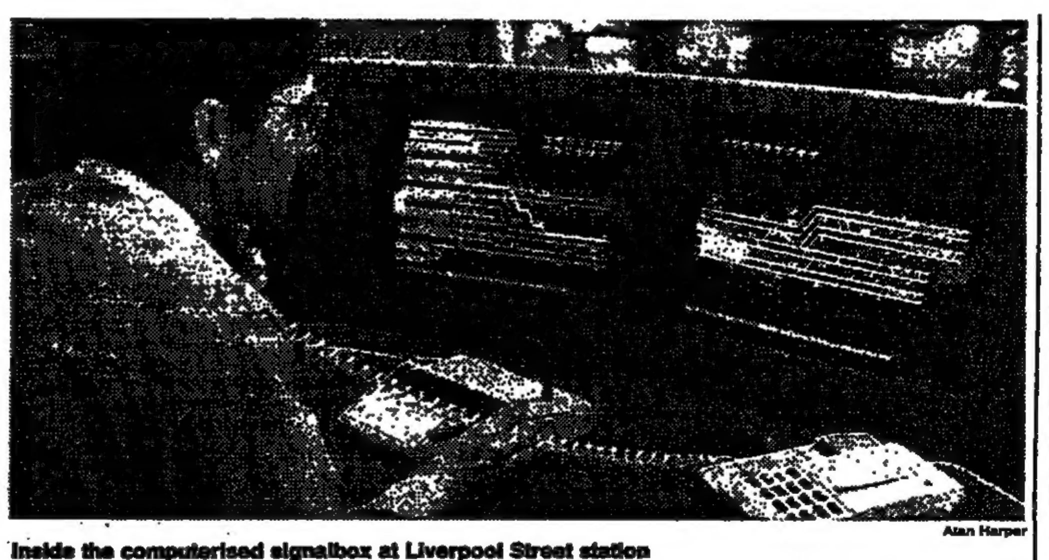
One reason is that courts demand very precise definitions of what the ex-employee is barred from doing, for whom, and for how long, as well as where. For example, a stipulation that someone must not do something "within 25 miles of London" would almost certainly fail; "within 25 miles of Nelson's Column" might pass. The intricacies of restricting staff's future activities are such that, as usual, the only odds-on winners are lawyers.

**193 St John Street, London EC1. 01-250 3434.*

TECHNOLOGY

Alan Cane explains how British Rail set about automating the routine work of signalmen

Train management switches to the screen



Inside the computerised signalbox at Liverpool Street station

British Rail reckons to have steamed into a world lead in the development of the electronic signalbox, through the use of artificial intelligence and full-colour video screens.

The first integrated electronic control centre (IECC), designed to replace manual route plotting and electro-mechnical models of train positions, went into action a few months ago at London's Liverpool Street station, the busiest terminus in the UK.

While lever-operated signals are all but extinct and most signalling these days is carried out electronically, the IECC for the first time integrates the train-describing map, mimic diagram and control console into one workstation.

The system has been well tested by the 1,800 trains which arrive and depart each day at Liverpool Street's 18 platforms. It is the principal station for travellers commuting to London from the dormitory towns of Essex and the east coast, and some 80 trains depart in the 5 pm to 6 pm rush hour.

Eventually traditional signal boxes throughout the country will be replaced by IECCs, starting with ones at London's Marylebone, at York and at Yoker, near Glasgow. Their introduction is the latest stage in BR's plans to bring the benefits of computer-based automation to train management.

The programme began about 15 years ago with pioneering work on microprocessor-based or solid-state interlocking, the safety system which prevents more than one train travelling on the same section of track.

The first solid state interlocking systems (the name recalls the earliest signalling apparatus where interlocking rods and levers physically prevented dangerous train movements) began to make their appearance on British railways in 1985. With the introduction of IECC, BR has brought full automation to the tasks traditionally done by signalmen.

An important feature of the system is automatic route setting (ARS), which combines complex mathematical formulae and artificial intelligence to relieve the signalman of much routine work. The ARS sets routes for train movements in and out of the station by combining timetable information, train positions and a predefined set of rules.

British Rail's claim to a world lead in electronic signalling is based on the way the IECC not only sets routes automatically but also regulates the trains under its control when they are running out of timetable order. It can, for example, assign priority to particular trains ensuring that they progress smoothly to their assigned platform even when the timetable order has been completely upset.

ARS systems are found in France, West Germany, Italy and Japan, but none of these systems, it seems, can handle serious disruptions of the timetable. The US is a little more advanced, but the scheduling algorithms (calculations) used are simple compared with those found in BR's ARS which has to shoehorn, for example, train movements from Liverpool Street's 18 platforms into six approach tracks.

BR's IECC has its origin in research at the organisation's Derby laboratories. The aim was to test the feasibility of using models of the track system on a visual display unit (VDU) screen as a substitute for the time-consuming manual preparation of electro-mechanical track diagrams.

As there was some concern about how readily signalmen would take to VDUs, the emphasis was on designing a system that reflected the way railways were run.

In the old system, for example, signalmen set a route by operating switches at the entrance and exit of each section. Using the IECC, they position a cursor over these two points on the screen image and press a switch on the console.

The conversion of the Derby ideas into computing hardware and software, which could be easily manufactured, was carried out by the industrial division of the Sema group, the Anglo-French systems house based in London, in a contract worth several million pounds.

A modern signal box of the kind serving Liverpool Street looks, on the outside, like a windowless office block and, on the inside, like the dealing room in a financial institution.

Each signalman sits at a console facing four screens. Two display in colour the track layout in the area for which he is responsible. The third gives an enlarged view of critical areas and the fourth carries colour-coded messages about train movements.

On the desk in front of the signalman is a trackerball to control the cursor, four buttons to set or cancel routes and a further three control buttons.

Below the operations floor in the machine room, the computer circuitry at the heart of the system lives in a series of racks. The Liverpool Street signal box has been designed to take all the IECC and solid state interlocking equipment necessary to expand the area under its control to Southend and the Cambridge and Colchester borders.

Dennis Lamb of British Rail's Signal and Telecommunications Engineering section, who managed British Rail's side of the Liverpool Street installation, says there are four ways in which IECCs improve efficiency:

- The use of standard hardware – the system is based on Motorola 68000 microprocessors – with software that is common to every region but driven by data for its particular location. Lamb reckons this leads to savings of 10 to 15 per cent compared with present systems.
- Lower installation and maintenance costs. IECCs are designed to be fault-tolerant through the duplication of all important elements of the system. In practice, failure rates are very low.
- Better train regulation and a quicker response to incidents.
- Greater flexibility to meet changes in British Rail's business objectives.

How well has the system been received by signalmen? Very well, by all accounts.

But there may be one drawback. David Fox, a signalman with 30 years' experience under his belt, slaps his ample girth reflectively: "I've put on two stone in this job since I gave up pulling the levers," he says.

Enter computers that can keep up with change

United States computer makers have unveiled a slew of new products this week, all of which reflect the changing demands of the maturing marketplace.

Issues such as the ability to integrate new hardware into existing systems, how to upgrade hardware while protecting prior investments in software and the increasing use of standard non-proprietary operating systems now dominate the market.

In introducing additions to its workstation range, Hewlett-Packard stressed the "investment protection" offered by its latest "upgradable" models. HP promised to offer purchasers of models based on Motorola's latest high-speed 68030 microprocessor a low-cost upgrade when the next generation Motorola chip became available.

"There are more than 100,000 users of workstations out there who currently have no way of smoothly upgrading their systems to take advantage of the latest semiconductor technology," said Richard Watts, director of marketing for computer products at HP.

He foresaw a time when computer users would routinely swap chips or circuit boards to upgrade their systems.

The workstation market was increasingly influenced by computer system managers, he said. Whereas workstations used to be purchased by engineers to do a specific job, they were increasingly viewed as part of a company or department-wide network.

Tandem Computers has unveiled a new range of fault-tolerant computers that use the Unix computer operating system, rather than its proprietary system, and are based on standard Risc (reduced instruction set) microprocessor chips.

"The Integrity S2 systems are targeted at critical applications in telecommunications, government and manufacturing market sectors, where Unix is particularly popular," Tandem said.

The Integrity S2 conforms to AT&T's Unix System V Interface Definition (SVID), which means that it should run all programs designed for the latest version of AT&T's Unix operating system.

Like Tandem's previous products, the new systems are designed to keep running even if one element of the system fails because all important parts of the system are replicated.

Tandem has signed up Nixdorf of West Germany to market the system in Europe.

In the very high performance sector, Intel Scientific Computers has launched a new parallel supercomputer incorporating up to 128 of the company's highest performance microprocessor chips.

Parallel computers split large computing tasks into hundreds of pieces that are processed simultaneously by linked microprocessors. Intel claims that its new iPSC/860 can achieve the performance of a Cray supercomputer at one tenth of the price.

The Intel machine can operate as a stand alone supercomputer or as a "compute server", providing supercomputing power to a network of desk-top and mainframe computers, allowing users to offload their most demanding applications on to the supercomputer.

Intel is one of the leaders in a crowded field of US computer companies pursuing the "massively parallel" approach to high performance computing. Although the approach produces impressive peak performance figures, rivalling those of traditional supercomputers, in practice the computers are often hobbied by a lack of software. The non-traditional architecture of the parallel computer also makes it difficult to link to other computers.

Intel says it is addressing both these problems and that the machines will be able to exchange data with computers running the Unix operating system, including Sun workstations and Digital Equipment minicomputers.

The iPSC/860 is the first commercial product from the $27.5m Touchstone Project, funded in part by the US Defense Advanced Research Projects Agency. The project aims to develop a 2,000-processor supercomputer, more than 20 times faster than the iPSC/860, by 1992.

Louise Kehoe

Eastern bloc cars take the plunge into fashionable colours

Western paint technology is to be used to smarten dated or dour-looking Russian and Polish cars.

As well as a wide range of colours, specialised paints will be supplied to give the metallic and pearlescent effects popular throughout the West. The main sources will be PPG Industries, of the US, and Herberts, the industrial paints subsidiary of Hoechst, of West Germany.

Both companies have been active in Eastern bloc car markets for some years. Previously, however, the Soviet view was that Western consumers had far too much choice and that this was a sign of decadence.

Austin O'Malley, who runs PPG's European automotive coatings business, says: "The idea that you could have any colour as long as it was black applied much more in the Eastern bloc than it ever did with Henry Ford.

"Exporting more cars is one of the key objectives of the Eastern bloc countries. They cannot hope to increase sales if they don't improve their looks. They would like to make drastic changes in styling to compete with western companies, but retooling is expensive. Paint technology, by comparison, is not."

PPG's position is strong because in 1977 it developed a resin which would carry a positive charge. This enabled car bodies to be charged up as cathodes and dipped into an electro-coating tank filled with positively charged paint.

Previous resin systems could carry only negative charges, so car bodies had be charged up as anodes. The importance of the cathodic technique was that it produced a more stable base coat, improving appearance and rust resistance.

Critically for sales, it met the Canadian code on corrosion – which is especially tough because so much salt is used on winter roads. Now 83 per cent of the world's cathodic tanks use PPG technology.

The US giant ranks second in the world to ICI of the UK by total sales volume of all types of paint. In the 1980s it started to break out of its US base by buying up its own licensees around the world.

One purchase was of Courtaulds' car paints factory in Birmingham but, more significantly for perestroika, in 1984 it bought IVI, Fiat's main paint supplier, which already had Eastern bloc customers.

PPG held car "fashion shows" in Moscow and Warsaw towards the end of last year (1989), demonstrating Western trends in finishes and showing how these can transform even the most basic Lada or Vaz.

Eastern bloc cars have generally been of "solid" colour, requiring relatively low technology compared with the coatings used on Western cars.

For example, metallic effects are produced by putting aluminium particles into clear, thin top coats. The process has to be carefully controlled to ensure the metal particles lie flat in the same plane within the paint – otherwise cars look as though they are changing colour as they pass by.

The car fashion shows – which were transmitted on prime-time television in Warsaw – also demonstrated how to combine body colour with leather, fabric and vinyl trim.

PPG is keeping its electro-coating technology to itself through direct exports of the specialised paint, but it has set up several joint ventures with Soviet and Polish state-owned companies for middle and top coats.

Business has more than doubled in two years to $15m and much more rapid growth is expected.

Ian Hamilton Fazey

ARTS

Arts Week

F	Sa	Su	M	Tu	W	Th
12	13	14	15	16	17	18

THEATRE

London

Anything Goes (Prince Edward). Cole Porter's silly ocean-going 1930s musical has four or five marvellous songs and Elaine Paige failing to emulate Ethel Merman. Jerry Zak's desperately bright production comes from the Lincoln Center in New York and is undemanding fare (734 8951, cc 836 2428).
Jeffrey Bernard is Unwell (Apollo). Brilliant performance by Peter O'Toole as an alcoholic journalist who embodies a Falstaffian, nay-saying life force while committing public suicide by vodka. Keith Waterhouse has stitched a fine play, the season's highlight, from Bernard's own writing, Ned Sherrin directs (437 2663).
The Good Person of Sichuan (Olivier). Magnificent National-Theatre revival by wunderkind Deborah Warner of Brecht's great parable of moral ambiguity about a Chinese prostitute who can only do good by adopting a vicious disguise. If poverty is not combated by political systems, what can an individual's compassion do? Witty new translation by Michael Hofmann. Fiona Shaw leads a fine cast in a play new-minted for the 1990s. Jan 12-18, Jan 29-Feb 3 (928 2252).
A Little Night Music (Piccadilly). Fine revival by Ian Judge,imported from Chichester, of Sondheim's 1973 schlagobers version of a Bergman film. A beautiful score, composed mostly in waltz time, is touchingly performed by Lila Kedrova, Dorothy Tutin (her best work in years), Peter McEnery and Susan Hampshire (867 1118).
Another Time (Wyndham's). New Ronald Harwood play, directed by Elijah Moshinsky, about a white South African family in Cape Town and Maida Vale. Albert Finney plays father and concert pianist son across 35 years, suggesting that talent is a means of escape and a reason for not going back. Janet Suzman and Sara Kestelman are electrifying (867 1116).
M. Butterfly (Shaftesbury). Peter Egan has taken over from Anthony Hopkins as the tortured diplomatic hero in a Peter Shaffer-style "spectacle of ideas" dressed up in John Dexter's superb production as a metaphor of homosexual life. The transvestite tragedy proves less electrifying than in New York; the play is not very good but still worth seeing (379 5399).
Aspects of Love (Prince of Wales). Andrew Lloyd Webber's latest is an intimate chamber operetta derived from David Garnett's 1955 novella. Musically interesting and well directed by Trevor Nunn, a cast of unknowns project the right sense of sybaritic insouciance. A probable, but unspectacular, hit (839 5972).

New York

Heidi Chronicles (Plymouth). Wendy Wasserstein's award-winning drama covering 20 years in the life of a successful American baby boomer goes from support for Eugene McCarthy's presidential aspirations to electoral ambitions in the 1980s, accompanied by the musical and emotional flavour of the period (239 6200).
Gypsy (St James). This 30th anniversary production does more than revive a rich, vivid musical; it also introduces a new belter in the Merman tradition, Tyne Daly, as the bossy, tireless and tuneful Rose, who shamelessly leads her daughter into burlesque while rejecting a personal life for herself (246 0102).
Grand Hotel (Martin Beck). Tommy Tune, Broadway's present musical doctor, directs this remake of the Garbo film to at least shake the bones of this inert depiction of lives crisscrossing in an elegant, but somewhat random setting (246 0102).
Sweeney Todd (Circle in the Square). An intimate production of the Sondheim-Wheeler musical in contrast with the elaborate original a decade ago emphasises the descent into madness of Bob Gunton as the demon barber of Fleet Street (239 6200).
Lend Me a Tenor (Royale). A sprucing up in the set of a decaying town's big time opera ambitions makes a transatlantic hit of this farce, first produced in London, but now with a local cast led by Philip Bosco and Victor Garber (239 6200).
Jerome Robbins' Broadway (Imperial). Anyone attracted by the notion of a three hours of film trailer previews will adore this compendium of Robbins' directed and choreographed plays of the past 40 years, including On the Town, West Side Story and Gypsy. The lustre of the credits is dimmed by the brevity of each piece, with a contemporary crew of Broadway aspirants who lack the multi-talents that inspired the heyday of the musical.
Rumours (Broadhurst). Neil Simon's latest comedy is a self-conscious farce, with numerous slamming doors and lots of mugging but hollow humour that misses as often as it hits. Christine Baranski leads an ebullient cast in the inevitable but disappointing hit.
Cats (Winter Garden). Still a sell-out, Trevor Nunn's production of T.S. Eliot's children's poetry set to music is visually startling and choreographically feline (239 6262).
A Chorus Line (Shubert). The longest-running musical in the US has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions (239 6200).
Les Misérables (Broadway). The magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama (239 6200).
Me and My Girl (Marquis). Even if the plot turns on ironic mimicry of Pygmalion, this is no classic, with forgettable songs and dated leadenness in a stage full of characters. It has nevertheless proved to be a durable Broadway hit (947 0033).
Phantom of the Opera (Majestic). Stuffed with Maria Bjornson's gilded sets, Phantom rocks with Andrew Lloyd Webber's haunting melodies in this mega-transfer from London (239 6200).

Washington

Annie 2 (Opera House). The American theatre is not immune to sequel-itis, which plagues the other arts, and here ordains a return trip to the orphanage for Dorothy Loudon surrounded by 18 sets, 33 actors and one dog. Ends Jan 20 (467 4600).

Chicago

Steel Magnolias (Royal George). Ann Francis and Marcia Rodd play the leads in this view of southern life from under the dryers in a busy hairdressing establishment (988 9000).
Winter's Tale (Goodman). Frank Galati directs a production that spans the ages, interpreting Shakespeare as running from Ovid and television. Ends Feb 17 (443 3800)
I'm Not Rappaport (Briar St). Shelley Berman, one-time standup comic, now plays Nat, Herb Gardner's memorable Central Park character who gags his way through the 1986 Tony Award winner. (348 4000).
The Good Times are Killing Me (Body Politic). This City Lit production of Lynda Barry's first play captures an American childhood with poignant zaniness (871 3000).

Tokyo

Kabuki. The festive new year programmes (at 11am and 4.30pm) at Kabuki-za feature all the top stars, including several Living National Treasures. Among the highlights of the matinee is a famous scene from *Benten Kozo*, whose underworld hero dresses as a lady of rank to carry out a raid. Opens Jan 2 (541 3131). At the National Theatre a triple bill featuring mainly younger actors and including Yanone (The Arrowhead), an evergreen new year favourite acted in the extravagant "aragoto" style. Opens Jan 3 (265 7411). Both theatres have excellent earphone guides in English as well as English-language programmes.
Noh. The noh play *Ama (The Fisher Girl)* ends with a dance by a dragon-woman. The programme also includes a kyogen comic interlude and a short lecture/demonstration (in Japanese). Most other noh theatres are open only at weekends. Check local press for details. National Noh Theatre (Wed at 10.30am) (423 1331).

EXHIBITIONS

London

The Royal Academy. Inigo Jones, Architect – a full study and exquisite show of the intimate drawings and designs of the greatest of British architects, only excepting Sir Christopher Wren. Jones was architect to James I and Charles I, and Greenwich Hospital, St Pauls' in Covent Garden and the Banqueting House in Whitehall remain to us as his masterpieces. Daily until February 25, except bank holidays.
The Hayward Gallery. The Other Story – an intriguing but uneven survey of the work in Britain since the war of artists drawn from cultures other than that of the western European tradition – weak in its socio-political and historical analysis but often strong in the individual work. Daily until February 4, except bank holidays.
National Portrait Gallery. Tom Phillips – The Portrait Works: a thorough, self-explanatory, survey of the work of our most painstaking artist, always interesting and sometimes lively. Daily until January 21 except bank holidays.
National Portrait Gallery. Camera Portraits from the Collection 1839-1989 – a necessarily brisk but delightful and intriguing survey-cum-150th anniversary celebration. Until January 21.

Paris

Grand Palais. Eros. Some 100 vases, marbles, bronzes and jewelsdating from Greek antiquity describe most explicitly the vervewith which the god of love encouraged humans and gods alikein their uninhibited pursuit of pleasure. Closed Tue, ends Feb 5 (42895410).
Musée des Arts Decoratifs. Bohemian glass 1400-1989. Some 200 exhibits, among them the famous ruby-coloured glass, show how – having freed themselves from Venetian influence – the glass-makers of Bohemia carried the art of cutting and engraving and painting to such perfection during the baroque period that the renown of Bohemian crystal conquered countries as far apart as Spain and America, Egypt and Ireland. 107, rue de Rivoli (42603214). Closed Tue, ends Jan 28.
Musée d'Art Moderne de la Ville de Paris. Kupka (1871-1957) or The Invention of Abstraction. The subtitle of the vast retrospective sums up the progress of the Czech-born artist from Vienna-inspired symbolism to non-figurative canvases where glorious colours acquire a life of their own. 11 Avenue President Wilson, closed Mon, ends Feb 25 (47236127).
Musée Carnavalet. Paris in daguerrotypes celebrates the 150thanniversary of the birth of photography with an exhibition ofsome 150 old daguerrotypes completed by 30 modern ones. 31, rue des Francs-Bourgeois, closed Mon, ends Feb 28.
Institut du Monde Arabe. Egypt-Egypt. An exhibition of 25 chef-d'oeuvres, including the most recent finds, starts with statues and bas-reliefs dating from the middle-empire, continues with a golden crown of a high priest of Osiris with some elements of Roman art and Coptic icons and concludes with Islamic exhibits. 1, rue des Fosses-Saint-Bernard (closed Mon). Ends March 18 (40513838).
The Louvre and the Chateau de Versailles. David. A retrospective consisting of 84 paintings and 165 drawings is held simultaneously in the Louvre and in the Chateau de Versailles. It retraces the artistic development of the founder of neo-classicism who, cutting free from rococo's frivolities, preaches the Roman republic's rigorous virtues in The Oath of the Horatii and in The Lictors returning to Brutus the bodies of his sons. A radical revolutionary and friend of Robespierre, he immortalises the assassination of Marat inhis bath, while organising the Revolutions self-glorifying festivities. With the advent of Napoleon he becomes the Emperor's premier *peintre* and celebrates him in a romantic equestrian portrait crossing the Alps and in the vast Coronation, the replica of which, together with the unfinished Tennis Court Oath and the Presentation of the Eagles to the Imperial Army is in Versailles. Louvre closed Tue, Chateau de Versailles closed Mon, both exhibitions end Feb 12.

Brussels

Palais des Beaux-Arts. Ludwig Wittgenstein and his influence on twentieth century art. Also photographs of Yousuf Karsh both closed Monday and end January 28.
Galerie Isy Brachot, 62a Avenue Louise, works of Joseph Buys. Closed Monday ends on Feb 17.
Musée Numismatique et Historique (at the Banque Nationale) an exhibition of contemporary Belgian jewellery, medals and sculpture. Closed Monday ends Jan 31.
Musées Royaux des Beaux-Arts. Seventeenth century flower paintings; a selection from the museum's collection of Flemish and Dutch masters. Closed Monday; ends Feb.

Rome

Galleria Nazionale Dell'arte Moderna. Bertel Thorvaldsen (1770-1844). Sculptures, reliefs, portrait busts and drawings by the prolific and talented Danish artist who spent nearly 40 years of his working life in Rome. Neoclassic in style, his works are heavily romantic, but with a purity and simplicity of line which holds them just short of sentimentality. Ends Jan 28.
Braccio di Carlo Magno (St Peter's). Russian icons. Over 100 icons of superb quality in an exhibition organised jointly by the Soviet Ministry of Culture and the USSR-Italy Association. The icons date from the 13th to the 18th century and have been lent by 20 museums throughout Russia, notably the Tret'jakov in Moscow and the Russian Museum in Leningrad. Ends Jan 30.

Milan

Palazzo Reale. Fernand Leger retrospective: includes over 150 works – paintings, watercolours as well as book illustrations. Ends Feb 18.

Madrid

Caja de Madrid. Raoul Dufy. Works by French fauvist, well known for his lively use of colour and interest in varied forms of art, are on show in Spain for the first time. The exhibition includes paintings, watercolours, drawings, ceramics and fabric design, belonging to private collections and museums. Ends on Jan 26.
Centro de Arte Reina Sofia. Antonio Saura. 70 works by the Spanish artist painted between 1956 and 1985. The exhibition focuses on four themes: Ladies, Crucifixions, Goya's dogsand Multitudes. Ends March 19.
Palacio de Velazquez. Art in Latin America. The exhibition analyses the sources and development of art in Central and South America, from the wars of independence through to the present day. Ends March 4.

Frankfurt

Kunstverein, Markt 44. The Frankfurt Kunstverein is the first stop on a European tour of the works by the American sculptor Louise Bourgois. After nearly 20 years unknown, she had her first retrospective in New York in 1983, organised by the Museum of Modern Art. The museum's director Mr Weiermair has organised the biggest retrospective to date with 120 sculptures and some early paintings by Louise Bourgois, now aged 77. Ends Jan 28.
Schirn Kunsthalle, Am Römerberg 6. The Surrealists. Around 500 paintings, drawings, photos and objects are on display with works by Masson, Tanguy, Man Ray, Tanning and Ernst. Until Feb 18.

Hanover

Sprengel Museum, Kurt-Schwitters-Platz. Der blaue Reiter (The Blue Horse). This museum is displaying around 61 pieces from its own collections as well as some additional paintings on loan from East Germany and by other artists who belonged to the same Munich-based group. Works by Wassily Kandinsky, Franz Marc, August Macke, Alexej von Jawlensky, Gabriele Münter and Marianne von Werfekin can be seen until Feb 11.
Kestner-Gesellschaft, Warmbüchenstrasse 16. A retrospective of the Spanish painter Joan Miro (1893-1983), with around 120 works on loan from Spain. Ends Feb 19.

Cologne

Museum Ludwig, Bischofsgartenstrasse 1. The most comprehensive retrospective on Andy Warhol, who died in 1987, with around 160 pieces from New York. They can be seen only in Cologne until Feb 11. The retrospective includes works from the 1940s and 1950s as well as his famous portraits of Elvis Presley, Marilyn Monroe, and paintings based on advertisements.

Munich

Städtische Galerie im Lehmbachhaus. The most complete retrospective of the expressionist painter Karl Schmidt-Rottluff to date with almost 370 works from 70 private and public collections. After the Kirchner and Heckel exhibitions, this is the third significant project from one of the founding members of the Brücke group. Schmidt-Rottluff, who died in Berlin in 1976, was strongly attacked during the Nazi years.

Vienna

The Kunsterlaus is host to Mercury and the Muses, a vast collection of artifacts, documents and objects from Leipzig, on display for the first time. The collection, ranging over four millennia, contains treasures from Ancient Egypt, Greece and Rome. The exhibition also contains European painting from the middle ages to the 19th century, including works by Casper David Friedrich. Ends Feb 18.
Museum for History. An exhibition of paintings by Arnulf Rainer, deemed to be one of Austria's most successful post-war artists, and who recently had an exhibition in New York. Ends Jan 28.

New York

Pierpont Morgan Library. The library's superb collection on Gilbert and Sullivan, including autograph scores and libretti, letters and memorabilia, is the centrepiece of this exhibit, the most comprehensive ever mounted on the Vicortian operetta masters with more than 400 items on view. Ends Feb 18.
National Academy of Design. More than 160 objects from the Fitzwilliam Museum in Cambridge are making their way round America, giving a sampling of objects and paintings, among them works by Titian, Peter Paul Rubens and Renoir, under the theme of the increase of learning and other great objects. Ends Jan 28.
Metropolitan Museum of Art. A major exhibit of the works of Canaletto brings alive scenes of Italy in its secular glory. Ends Jan 21.
Centre for International Contemporary Arts. A new New York institution with the goal of cataloguing curatorial information about artists around the world opens appropriately with a retrospective of Japanese artist Yayoi Kusama. 57th & Fifth Av.

Washington

National Gallery. Highlighting this decade's renewed interest in printmaking in America, the 100 prints comprise a special exhibit borrowed from the collection of Joshua P. Smith, among them works from major contemporary artists including Jasper Johns, Richard Diebenkorn and Alex Katz. Ends April 8.

Tokyo

Sezon Museum of Art, Ikebukuro. Andrew Wyeth: Helga. A selection from the many paintings and sketches Wyeth made of his favourite model over a 15 year period and not revealed to the world until 1986. A secret obsession or commercial ruse? Closed Mondays.
Teien Museum, Meguro. Art Deco in situ. Once known as the Asaka Palace, and built for a member of the imperial family in 1933, this museum has one of the finest art deco interiors in the world. This is a unique opportunity to see areas of the building not normally open to the public, with explanatory panels and art objects of the period.
Tobacco and Salt Museum, Shibuya. The Way to Narita. Not Tokyo's international airport, but the nearby Shinsoji Temple, a major destination for pilgrims for many centuries. The exhibition features ukiyoe woodblock prints by the likes of Hokusai and Hiroshige, who date from the period when this pilgrimage was at its height. Closed on Mondays.
Suntory Museum. A selection of works from the museum's collection of Edo period artifacts: combs, ornamental hair pieces, exquisitely lacquered, make-up sets etc. The museum also has a tranquil library and a tea ceremony room to relax in.

MUSIC

London

Medici Quartet. Debussy, Elgar and Franck (Sun). Wigmore Hall. (935 2141).
Chamber Orchestra of Europe. Bach Brandenburg Concertos Nos 2,4 and 5; Britten's Prelude and Fugue (Mon). Queen Elizabeth Hall, South Bank Centre (928 8800).
Britten String Quartet. Haydn (Tues). Queen Elizabeth Hall, South Bank Centre (928 8800).
Gabrieli Quartet. Sibelius, Beethoven (Wed). Wigmore Hall (935 2141).

Paris

Orchestre National de France conducted by Lorin Maazel, Ingolf Turban (violin): Messiaen, Glazunov, Saint-Saens (Tue). Salle Pleyel (45638873).
Orchestre de Paris conducted by Kurt Sanderling, Miriam Fried (violin). Brahms (Wed, Thur). Salle Pleyel (45630796).
Ensemble Wien-Berlin. Haydn, Danzi, Ibert, Eder, Francaix (Wed), Danzi, Berio, Mozart, Hindemith (Thur). Auditorium des Halles (40282828).
Cecile Ousset, piano recital (Tue). Auditorium des Halles (40282828).

Frankfurt

German Chamber Philharmonic Orchestra under Bruno Weil with Martha Argerich (piano). Mozart, Beethoven, Strauss (Thur). Alte Oper.

Cologne

Frankfurt Radio Orchestra master concert with Pinchas Zukerman conducting and playing violin. Beethoven (Thur). Philharmonie.

Berlin

Berlin Philharmonic Orchestra conducted by Riccardo Muti. Schubert and Haydn (Thur) Philharmonie.

Brussels

RTBF Symphony Orchestra conducted by André Vandernoot with Steven de Grootz (piano). Beethoven programme (Fri). Maison de la Radio.
Belgian National Orchestra conducted by Jean Baily. Brahms, Fontyn (Sun). Royal Music Conservatory.
BRT Philharmonic Orchestra conducted by Alexander Rahbari with Walter Boeykens (clarinet). Beethoven, Nielsen, Verdi (Sun) Palais des Beaux-Arts.

Amsterdam

Netherlands Philharmonic with Maria Tipo (piano), Theodor Guschlbauer conducting. Berlioz, Rachmaninov, Roussel (Fri, Sun matinee, Wed). Concertgebouw (718 345).
David Geringas (cello) and **Tanja Schatz** (piano). Prokofiev, Schnittke, Tchaikovsky, Shostakovich (Tue). Concertgebouw (718 345).

Utrecht

Chris Barber Jazz and Blues Band (Fri). Vredenburg (31 45 44).
Radio Symphony Orchestra conducted by Henry Lewis, with Robert Holl (bass). Shostakovich, Tchaikovsky (Sat). Vredenburg (31 45 44).

Barcelona

Orchestre National de France conducted by Lorin Maazel, with Ingols Turban (violin). Beethoven, Glazunov, Roussel. (Mon). Palaude la Musica Catalana (301 69 43).
Carles Trepat (guitar). Spanish music recital. Sors, Brotons, Albeniz, Falla, Turina (Thur). Collegi D'Avocats (301 69 43).

Madrid

Spanish National Orchestra and choir conducted by Antoni Ros-Marba, with Lilian Watson (soprano), Robert Tear (tenor), David Wilson-Johnson (bass). Handel (Fri-Sun). Auditorio Nacional de Musica (337 01 00).
Andrea Lucchesini (piano). Brahms, Schumann. (Tues). Auditorio Nacional de Musica (337 01 00).
Bohuslav Martinu Chamber Orchestra. Bach, Geminiani, Britten, Martinu. (Thur) Auditorio Nacional de Musica (337 01 00).

Vienna

Wiener Philharmoniker conducted by Seiji Osawa. Beethoven, Bartok. Musikverein. (Sat, Sun)
Ensemble Modern, conducted by Mauricio Kagel. Kagel; Konzerthaus. (Wed, Thurs).

New York

St Luke's Symphony Orchestra conducted by Leonard Slatkin with Anthony di Bonaventura (piano). Haydn, Ligeti, Tchaikovsky. Carnegie Hall (Wed) (247 7800).
New York Philharmonic. Zubin Mehta conducting with the Westminster Choir directed by Joseph Flummerfelt. Brahms, Stravinsky (Thur). Avery Fisher Hall (874 6770).

Washington

National Symphony Orchestra. Mstislav Rostropovich conducting Shostakovich, Albert (Thur). Kennedy Center Concert Hall (467 4600).

Chicago

Chicago Symphony Orchestra. Myung-Whun Chung conducting Bartok, Dvorak, Prokofiev (Tue); Sir Georg Solti conducting Corigliano, Beethoven (Thur). Orchestra Hall (435 6666).

Tokyo

Wiener Mozart Akademi Orchestra. Mozart, J. Strauss. Showa Women's University Hitomi Memorial Hall, near Sangenjaya (Wed) (293 7550).
Japan Philharmonic Orchestra conducted by Akeo Watanabe, with Dang Thai Son (piano). Beethoven, Bruckner. Suntory Hall (Thur) (234 5911).

Continued on Page 9

ARTS

Faust

COLISEUM

This production was what the re-discovery of an opera should be all about. Although the latest revival may seem less visually seductive, less dramatically taut than it used to, it still has humour and tragedy crossing swords with an agile cut-and-thrust that makes a far more stimulating evening of Gounod's opera than will have been evident from any conventional staging in recent years.

In old age *Faust* had become overweight and slow. The score had acquired slow-moving sung recitatives in place of its original spoken dialogue and a reputation as a grand opera that moved with Victorian stateliness. The achievement of the producer Ian Judge, by reverting to the dialogue, has been to give us a lean and youthful *Faust* that keeps the drama on its toes – a production that is simply sharper, more amusing and more moving, than one had realised the opera could be.

For this revival the musical pace remains as keen as ever. The conductor Jacques Delacôte was in charge of the production when it was new and he has returned to chase along this series of performances with speeds even nimbler than before. There are some untidinesses of ensemble as a result, but the feel of the music is still wonderfully light and airy.

Indeed, by keeping as far as possible to the original cast throughout the company has sought to preserve the sharpness of interplay that was integral to the production's success. The Faust of Arthur Davies and Mephistopheles of John Tomlinson have resumed a partnership that was always chillingly effective, the one a youthful and lyric tenor, the other now a proven Wagnerian bass who works like the devil to keep the show on the boil. Fiona Kimm is again the impetuous and adolescent Siebel.

The main disappointments come in the new members of the cast. One can still see and sometimes hear what has made Valerie Masterson such a sought-after soprano for the silvery and pure French heroines like Marguerite, but the singing is tentative now to the point where she is unable to reach out and grasp a role as she would like to. Nor was Steven Page a good choice for Valentin, as the role demands a quite different kind of voice, lyrically expansive and beautiful.

If the parts did not add up the convincing whole that they had when the production was new, there is no reason to suppose that will not in later performances of this run. In any case the ENO *Faust* is by far a more rewarding new look at an opera than any of the consciously outrageous productions that have been unveiled on this stage of late.

Richard Fairman

Arthur Davies and John Tomlinson — Alastair Muir

Cinderella

COVENT GARDEN

On Wednesday night Sylvie Guillem faced the most considerable challenge she has known since her arrival as a permanent guest with the Royal Ballet. In the traditional repertory in which we have seen her – as Aurora, Nikiya, Odette/Odile, – there has been an interpretative latitude through which we might accept, if not admire, the physical extravagance of her style.

In these roles Mlle Guillem has been variously able to deploy those prodigious extensions by which she seeks to sign her every role. She has found occasion to show extreme control of astonishing effects – which audiences love, whether they suit a ballet or no – and to appear as the blinding and all-conquering virtuoso, an identity so artistically limited that interpretation becomes no more than the dazzling execution of steps.

On Wednesday, faced with a work in which such freedom is proscribed, she muted her bravura (though not so greatly that the heart did not rejoice at the brilliancy of certain effects) and drew a gentle, softly-brushed portrait of the waif heroine that holds promise of fine things.

The tenderness of the girl by the fire was prettily done – the little scene with Leslie Edwards as her father had pathos; the sense of enchantment as the season fairies appeared was like that of a child delightedly watching this ballet for the first time. Other Cinderellas have shown greater gaiety of spirit with the broom – Fonteyn and Sibley always convinced us that Cinderella already imagines a prince dancing with her.

But how joyously Mlle Guillem set about the dancing itself, shaping and polishing each step with sunniest ease so that it gleamed. And the ballroom sequence was exhilarating in its spaciousness, the dance presented with a fine generosity (which is the Jekyll of Mlle Guillem's great gifts, when Hyde the exhibitionist is kept under control).

Experience will teach her to make the first descent in to the ballroom even more like a dream of happiness; nothing need be added to her sense of tender delight when all comes right in the final act: the gentleness and sincerity of her pleading were charming.

Jonathan Cope was her attentive, adoring Prince; Erroll Pickford an outstandingly buoyant and dazzling Jester. The knockabout activities of the Ugly Sisters (Derek Rencher; Michael Coleman) are crass and witless, and endanger the dramatic balance of the piece. Mark Ermler's view of the Prokofiev score is both idiomatic and dramatically resonant. The evening is enhanced thereby.

Clement Crisp

In Seattle art is integrated into city planning

Seattle, "The Most Livable City" in the US of 1984, is well on target with its art-collaborative Metro system and other public-art programmes for beautifying the city. With Washington State, City of Seattle and King County all operating per cent-for-art schemes, Seattle is a model of the effective integration of art into city planning.

Last November, site-specific artworks for the Washington State Convention & Trade Centre were unveiled. The massive Convention Centre, designed by TRA Architects, is itself an urban-planning phenomenon in the way it straddles the interstate freeway which bifurcates the city.

An art-enriched convention centre suggests parallels with Birmingham, but whereas Brum has confronted post-war misplanning with cycles of replanning, Seattle attempts to ameliorate its 1950's inheritance. So the upper levels of the Convention Centre open out on to an aerial garden, with fully-grown trees in a sylvan glade far from the pounding traffic beneath.

Ironically, this is the site for environmentalist Buster Simpson's "Seattle George Monument," itself a work bursting with ironical historical illusions. Supported on a tripod is a topiary head of George Washington, containing within itself an armature profile of Chief Seattle. "The indigenous culture is literally a foundation upon which today's Seattle is an overlay" comments the artist.

At present the aluminium portrait-profiles of the double armature are still unclad by ivy and obvious to the spectator. In the future, an attached template element will be moved by maritime breezes to keep Washington's ivy head in constant trim. Elsewhere in the complex are a floor designed by Jackie Ferrara and electronic truisms from Jenny Holzer; on the main façade are a series of historical bells from counties in Washington State, programmed to chime by artist David Mahler.

Buster Simpson is a major figure in the burgeoning public-art movement with a commitment to green politics and minority causes. His 1987 "composting commode" tree project might also seem a commitment to lavatorial humour, but Seattle takes him very seriously. The project involves placing a portable public lavatory over empty pits, in which trees are planted when the loo moves on. Health safeguards are of course part of the scheme.

Generally Seattle's vociferous public-artists are keen on greening the city (which maddingly turns its back on its magnificent natural setting) and artist-designed tree grids frame new planting in the downtown area. These complement pictorial hatchcovers installed in an earlier programme, making for a rich eyes-down urbanism, very useful in a city with high rainfall.

Jack Mackie, a prime mover on the tree-grid project, has become well known as a public-art consultant in the US. He leads a team of artists working on Seattle's new downtown transit system, due to become operative in September 1990. What is unique about this project is that artists have worked as part of the design and engineering teams on all aspects of the system: the tunnel; its five stations; and above ground street improvements.

Because the artists have been integrated as full professionals with Design Consultants PBQ&D and TRA Architects, they have been able to expand the original $1.5 million art budget by influencing the architects to develop materials budgets. For example, standard cladding specified for Westlake Station has evolved into inventive custom-made tiling by Jack Mackie and Vicki Scuri. The metro is nearly completed, and it is very impressive to see art works going up as an integral part of the construction.

Artists Alice Adams and Sonya Ishii have expended ideas of social usage in International District Station, following their community consultation with the mainly Far Eastern local population. Talks revealed a horror of Chinese pagodas – the usual planning cliché of China Towns – but a need for an urban space to accommodate New Year festivals, parades and local activity.

The artists collaborated with station architect Gary Hartnett on a series of pavilions, and a station plaza with seating, landscaping, paving carved with Chinese calendar symbols and a performance platform. Although underground stations in other transport systems are often associated with indoor shopping malls, this concept of community involvement is a very novel approach to transport design.

Generally the artists have stressed the importance of pleasurable usage, and relating the stations to above-ground activities. So Bonsai planting has been designed by artist Maren Hassinger in the plaza of the Convention Center Station, and on the lower levels where the mini-Metro connects with bus transport, Jack Mackie has created a water sculpture, softening the transition from freeway to station platform. Two marquees designed by Alice Adams mark the entrance to this station, with neon inserts to attract attention to the nearby Paramount Theatre.

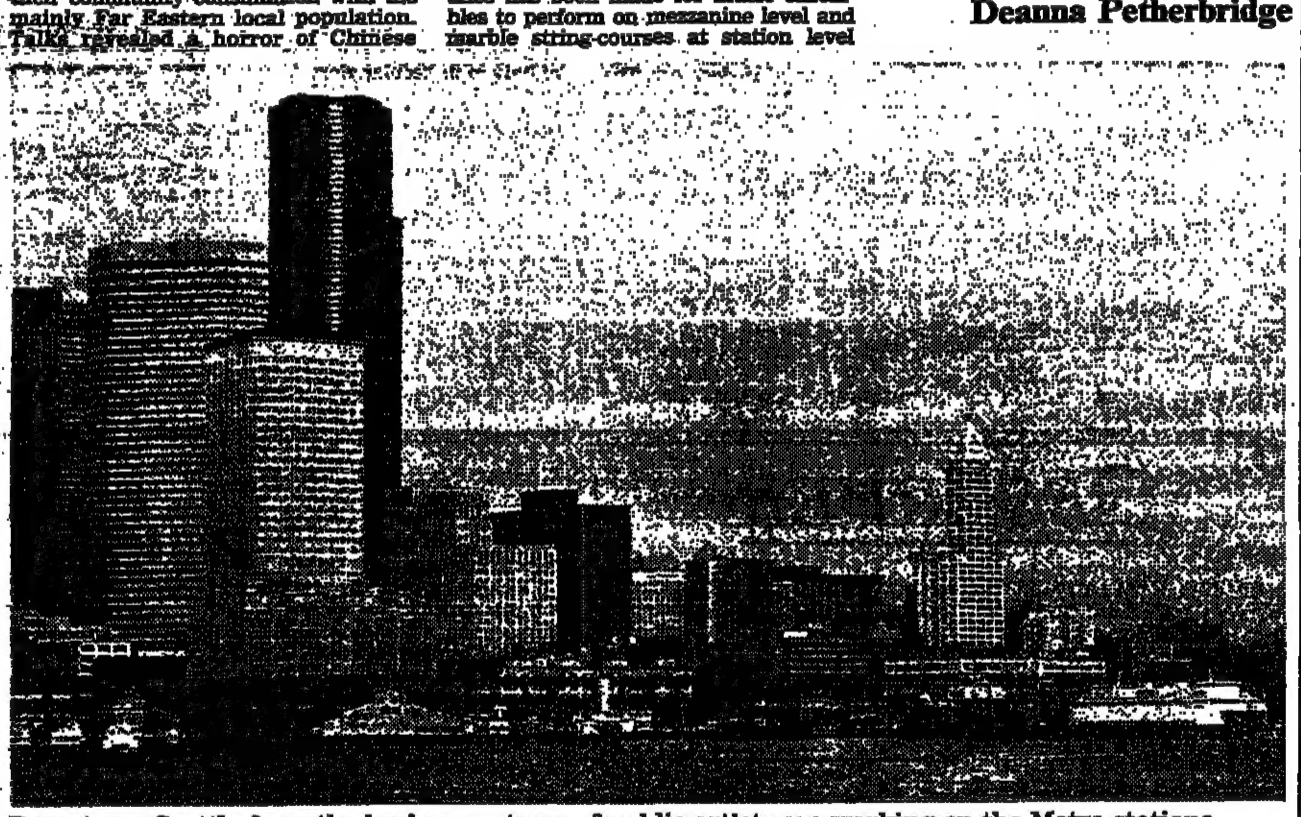
In the Westlake Station, in the heart of the shopping district, wiring allowance has been made for music ensembles to perform on mezzanine level and marble string-courses at station level are concave as "butt rests" for the waiting public. Artists Bill Bell and Robert Teeple have designed sequential light works for the rather austere University Street Station, and there are enamelled street scene murals of great verve on the station platform walls of Westlake station.

The concept of allowing project architects to develop highly differentiated stations has perhaps opened the way for artists to make original contributions, which might not be possible in a homogeneous design-system, such as the Washington DC metro. But it has also meant varying levels of success, dependent on the quality of collaboration between artists and design team.

The architect of Westlake Station, Brent Carlson, with a penchant for exuberant art-Decco forms and lush finishes, appears to have been most open to artist interventions. Jack Mackie's coloured and embossed tiles which accelerate upwards on the platform walls are very successful, and the width of the tunnel allows for such playfulness of surface.

The varied station designs read a little like a pattern-book of architectural stylism, but in the way of the 1980's, there's something for everybody.

Deanna Petherbridge



Downtown Seattle from the harbour: a team of public artists are working on the Metro stations

Lady Macbeth of Mtsensk

FREIBURG CITY THEATRE

Young German theatre audiences seem to regard *Lady Macbeth of Mtsensk* as the operatic equivalent of a film: the music is brutally descriptive and pictorial, the plot has the sustained intensity of a thriller, and the character-painting combines humanity with satire.

But the work's current popularity has only served to highlight how difficult it is to pull off as a repertory work. German provincial opera ensembles all too often end up failing to honour the virtuoso orchestral writing and lay bare the work's peculiar structure and staging difficulties.

That makes Freiburg's recent exciting production all the more impressive. The evening raced past, with the kind of explicit effects that bring out the raw suggestiveness of Shostakovich's violent, erotic, parodistic music. Wolfram Mahring's staging, designed by Herbert Murauer and Maja Scholl-Lemcke, was admirably concentrated, a raised platform with double bed providing the centrepiece for a barren single set.

With such truthful acting and pointed use of the text, the tragi-comic, almost melodramatic aspects of the work were painfully apparent (I have never heard an audience laugh so spontaneously at the opera's musical and verbal one-liners). But the production – rising to a perfectly sustained climax in the dim light of the final scene – also evoked the depth of human longing and feeling in the figure of Katerina.

The role was sung with remarkable maturity by Vivian Tierney, the young soprano who has already been well noticed at English National Opera. Miss Tierney has a sweet, tender and pure voice, capable of exquisite piano singing, but with the carrying power and expressiveness of a lirico spinto. She never forces the tone. She is also a disciplined, uninhibited actress – a Katerina whose plucky spirit and physical craving for love make her vulnerable to life's injustices. There is no doubt we are going to hear much more of Miss Tierney.

Her partner in this triumph was the Scottish conductor, Donald Runnicles, who is now music director in Freiburg. The orchestral performance was balanced, polished, confident: on the evidence of this and his recent *Peter Grimes* at Zurich, Runnicles certainly knows how to get the best out of his musicians. He goes for the big effects, bringing out the elemental power and brilliance of the interludes, savouring the soft-grained Mahlerian string writing of the love scenes: altogether a performance of keen dramatic precision and intelligence.

Andrew Clark

Naum Grubert

QUEEN ELIZABETH HALL

Grubert was born in Latvia in 1951, won a prize in the Chaikovsky Competition in 1978 and greatly impressed visiting British critics at the Hungarian Interforum three years later. He emigrated to the West in 1983 and is now based in Holland, but his recital on Tuesday was his first in London.

Why the debut here of such a distinctive and interesting pianist should have been so long delayed is hard to fathom; his playing is hard to categorise, and is far removed from the steel-fingered, propulsive style of many of his Soviet-trained contemporaries.

It is intense, full of tight-bound nervous energy; Grubert's whole stage manner, knotting himself up at the keyboard and agonising over the expressive implications of each phrase, suggests an enormous undertow to his interpretations.

Perhaps it is that subtext which gives his performances their diverting, never settled quality. The music will suddenly take off at tangents, and every movement becomes a richly patterned quilt – inspiring and intriguing in the opening movement of Schubert's B flat Sonata D.960, where every bar of left-hand figuration tingled with life, and the Trio of the same sonata, where Grubert found some novel sonorities, yet less convincing in the slow movement where the pacing escaped him.

He had begun with Schumann's Variations on a theme by Clara Wieck, abstracted from the G minor Sonata Op.14, in itself a curious recital opener, and which was invested with curious half lights and nuances, while the final sequence of repeated chords was converted into a ghostly lingering coda.

The second half was divided between Chopin and Rakhmaninov, the latter (a charmed version of the G major Prelude excepted) easily the least characterful section of Grubert's programme.

Without the space to explore and invent his approach loses its appeal and a couple of *Etudes tableaux* seemed soggy and shapeless. He found that room in a group of Chopin nocturnes – intense charged accounts of the Op. 27 pair – and delved into a sinewy exploration of the F sharp minor Polonaise Op.44, not at all the imperious heroic style of many performances of this piece, but something less graspable and quite unsettling.

Andrew Clements

ARTS GUIDE

January 12-18

OPERA AND BALLET

London

Royal Opera, Covent Garden. Final performances of *Otello*, under the superb musical direction of Carlos Kleiber and with the leading performances of Placido Domingo, Katia Ricciarelli and Justino Diaz.

English National Opera, Coliseum. *Faust*, in Ian Judge's deft, fast-moving production using the original spoken dialogue, returns with a fine cast (Valerie Masterson, Arthur Davies, and John Tomlinson) and conducted by Jacques Delacôte. Further performances of the magical production of *Hansel and Gretel*, a triumph of intelligent modern operatic re-thinking; final performances of Richard Jones's witty, deadpan, offbeat production of Prokofiev's *Love for Three Oranges*.

The Royal Ballet presents *Cinderella*; then performs *La Fille Mal Gardée* in tandem with a Russian showpiece, *Laurencia*. Covent Garden.

English National Ballet continues to present Peter Schaufuss' tiresome version of *The Nutcracker* nightly. Not recommended. Festival Hall.

Paris

Théâtre des Champs Elysées. The Russian season with Leningrad's National Opera Theatre Maly brings, in alternation, *Boris Godunov*, *Eugene Onegin* and *The Queen of Spades*. Théâtre de la Ville (47203637).

Amsterdam

The Netherlands Opera with a new production of Gluck's *Orphée et Eurydice* directed by Peter te Nuyl and designed by Mirjam Grote Gansey. Hartmut Haenchen conducts the Netherlands Philharmonic, with Gran Wilson or Howard Haskin as Orpheus, and Alexandra Coku as Eurydice (Sun, Thur). Muziektheater (255 455).

Barcelona

Gran Teatre del Liceu. Lorenzo Mariani's new production of Puccini's *Manon Lescaut* features Mirella Freni and Peter Dvorsky, and is conducted by Silvio Varviso (318 92 77).

Brussels

Théâtre Royale de la Monnaie. The Monnaie Opera in *Cosi fan tutte* by Mozart staged by Luc Bondy and conducted by Sylvain Cambreling.

Cirque Royal. The Milan Opera in Verdi's *Il Trovatore* conducted by Lajos Vasady-Balogh.

Vienna

Staatsoper. *Dornröschen*: Tchaikovsky's ballet choreographed by Rudolf Nureyev and conducted by Peter Keuschnig. Also *Tosca* conducted by Guadagno, *Otello* conducted by Michael Schoenwandt, *Der fliegende Holländer* conducted by Klobucar.

Volksoper. *Eine Nacht in Venedig*, Handel's *Guistino* and *Don Giovanni*.

Berlin

Opera. *Die Zauberflöte* has fine interpretations by Kathleen Cassello, Edith Mathis, Clemens Bieber and Barry McDaniel. *Orpheus in der Unterwelt* features Mona Seefried, Julia Conwell, David Griffith and Hermann Winkler. *Tosca* stars Pilar Lorengar in the title role, Franco Bonisolli (Cavaradossi) and Eduard Tumagian with his Scarpia debut in Berlin. *Rigoletto* in Hans Neuenfels' production has Frederick Burchinal in the title role, Gwendolyn Bradley, Ute Walter and John Sandor. Further offered *Zar und Zimmermann*.

Hamburg

Opera. *Hänsel und Gretel* is a well done repertoire performance. John Neumeier's ballet is danced to music by Gustav Mahler. *Idomeneo* will have its premiere this week, with a cast including Josef Protschka in the title role, Hedwig Fassbender, Joanna Koszlowska, Roberta Alexander, Kurt Streit and Harald Stamm.

Cologne

Opera. The successful Harry Kupfer *Lady Macbeth von Mzensk* production returns with Marilyn Schmiege, Aage Haugland, Jean Van Reeand Günter Neumann. *La Finta Giardiniera* is well sung by Michael Myers, Teresa Ringholz, John la Pierre, Janice Hall, Andrea Andonian and Darla Brooks.

Frankfurt

Opera. *Ariadne auf Naxos* has a strong cast led by Helena Doese, Kimberly Barber, Michael Sylvester, Hellen Kwon and Christopher Robertson. *Der Zigeunerbaron* returns with Adalbert Waller, Carlos Krause, Barbara Fuchs, Sona Cervena and Eliane Coelho. Futher offered *Rigoletto* and *Rusalka*. The latter features Eliane Coelho, Seppo Ruohonen, Manfred Schenk and Eva Randova.

Bonn

Opera. The wonderful Jorge Lavelli *Andrea Chenier* production returns with a first-rate cast led by Giorgio Lamberti, Giorgio Zancanaro, Gabriela Benackova, Chieke Shirasaka and Christine Obermayr, conducted by Thomas Fulton. A benefit opera gala stars June Anderson, Bruna Baglioni, Francesco Ellero d'Artegna, Grace Bumbry, Giorgio Lamberti, Giorgio Merighi, Gabriele Benackova-Cap and Giorgio Zancanaro. *Der Nussknacker* has Youri Vamos choreography.

New York

Metropolitan Opera. Nello Santi conducts the first seasonal performance of *La Gioconda* in Bruce Donnell's production with Ghena Dimitrova in the title role, Bruno Beccaria as Enzo and Alain Fondary as Barnaba. James Levine conducts *Cosi fan tutte* with Margaret Price, Tatiana Troyanos, Jerry Hadley and Thomas Hampson in Colin Graham's production. Nello Santi conducts the last performance of *Turandot*, with Gwyneth Jones in the title role, Aprile Millo as Liu, Vladimir Popov as Calaf and John Macurdy as Timur. Hermann Michael conducts *Die Fledermaus* with Karen Huffstodt as Rosalinde, Brigitte Fassbaender as Prince Orlofsky and Richard Drews as Alfred. Performances continue of August Everding's new production of *Der fliegende Holländer*, conducted by James Levine with Eva Marton, James Morris and Paul Plishka. Lincoln Center Opera House (362 6000).

New York City Ballet. The mixed repertory includes performances of *The Goldberg Variations*, *Les Gentilhommes* and *Prodigal Son*. New York State Theatre, Lincoln Center (870 5570)

Washington

Washington Opera. Roman Terleckyj's production of *Werther* features Mark Thomsen in the title role with Deidra Palmour as Charlotte, conducted by Cal Stewart Kellogg. Performances of *The Merry Wives of Windsor* continue with Kenneth Cox as Falstaff and Sheryl Woods as Mistress Ford, conducted by Fabio Mechetti in Leon Major's production. Eisenhower (467 4600).

Chicago

Lyric Opera. Julius Rudel conducts the San Diego Opera production of Ambroise Thomas's *Hamlet*, which has its premiere with Sherrill Milnes in the title role, Felicity Palmer as Gertrude and Gregory Kunde as Laertes. Barbara Daniels is Rosalinda and Neil Rosenshein sings Alfred in director Giulio Chazalettes's new production of *Die Fledermaus* conducted by Julius Rudel. Lyric Opera (332 2244).

SALEROOM

Sotheby's changes services

Stung by criticism that the financial packages it offers both buyers and sellers of works of art is unsettling the market, Sotheby's announced changes yesterday in its services. In future anyone wanting a loan to buy an expensive antique will have to offer as collateral a work of art he or she has owned for at least 90 days. This avoids the situation which arose with Alan Bond's controversial purchase, for a record $53.9m, of Van Gogh's "Irises" in 1987 when he borrowed half the selling price, with the painting as security.

Another change affects vendors. In future, if Sotheby's offers a guarantee – as it did last year in the case of the Dorrance collection, which it secured from the heirs to the Campbell Soup fortune by advancing a guaranteed $100m – this will be categorically stated in the catalogue, both in the US and overseas.

Sotheby's denied yesterday that it was seeking a buyer for "Irises." Bond still owes the auction house money on the picture, and has received offers for it, but any decision on its sale will be made by the beleaguered Australian businessman.

The major sales of Old Master paintings and sculptures in New York in early January traditionally give the art market an encouraging boost after the festive torpor. However Christie's came unstuck on Wednesday when offering one of the most important antiques it is likely to handle this year, a white marble bust by Bernini of Pope Gregory XV.

It was unsold when the desultory bidding had crawled to $6m. Its owners, Joey and Toby Tanenbaum of Toronto, had been hoping for in excess of $7m, which would have been a record for the 17th century Italian artist. It was something of a speculation. There are some lingering doubts about the attribution of the bust, which was bought at Christie's South Kensington in 1978 for just £84. The Tanenbaums paid £2.8m for it in 1982, by which time the Bernini attribution was gathering supporters.

Another item in the sale which divided the experts, a large painting of "Cupid Disarmed by Venus," which Christie's claimed was a newly discovered a work by the 16th century Italian master Veronese, found a buyer, at $2.97m (£1.8m), way above estimate, and a record for the artist.

A second "discovery," a tiny 5x6 inch copper panel by the 17th century German, Adam Elsheimer, of St Jerome in the Wilderness, was unsold at $550,000, but the sale did reasonably well, totalling $19.6m (£11.8m) with a quarter bought in.

Antony Thorncroft

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Silly season for wages

MR JOHN MAJOR is getting some excellent on-the-job training. The rejection by Ford workers of an offer of 10.2 per cent should have convinced him that the silly season in wage bargaining is here. The earful he received at the meeting of the National Economic Development Council on Wednesday will have rubbed in the lesson. The question is whether the Chancellor is a fast enough learner. Does he realise that such silliness will have to be knocked still more firmly on the head than the Government has yet dared?

The background to Mr Major's dilemma is clear. The UK is now within the stop phase of its latest stop-go cycle. The lagged effect on wages of past excess growth in demand is clashing with the current downturn in economic activity. Industrialists, if not yet the trade unions (always the last to learn), can see the abyss opening before them. Pressure on the Government to reverse its efforts to curb demand is growing. But these must be ignored. If the measures are to work, they have to hurt, as the Chancellor himself has rightly said.

According to Income Data Services, the last three months of 1989 saw the rise of pay settlements and offers in a "going range" of between 8 and 10 per cent. They look likely to rise still further in the next few months. Such settlements may not be reflected in the wage increases afforded by smaller companies, especially in the highly-squeezed service sector. Mr Major's comment that the Government was concerned about pay rises that were not earned through productivity increases may be thought to justify such a divergence in outcomes. But it does not.

Higher productivity

If the UK economy is to thrive, higher growth of productivity in particularly successful firms must not be absorbed in the wages of those lucky enough to be employed within them. The resulting dispersion in wages across firms would imply an increasingly inefficient allocation of labour and hinder the growth of the most dynamic firms.

Yet, even if there is a case for a "going rate" for wages, the present one is far too high. A country that is not only seriously contemplating membership of the EMS but also needs sustained expansion of industries producing tradeable goods, should not have unit costs in manufacturing rising by more than 0·1 per cent a year. Even if the underlying long term rate of productivity growth can be sustained at 4·5 per cent, itself an excellent performance, earnings growth must rise by 6 per cent a year or, preferably, less.

Government credibility

Unfortunately, the UK labour market will not get from where it is now to where it needs to be without higher unemployment and in all probability a recession. That outcome could have been mitigated by greater governmental credibility, but this is now a depreciated asset. The Government will only convince people that it intends to do what it says, by acting consistently to reinforce that belief.

Action (or rather inaction) by Mr Major since his assumption of office at the end of October fails to suggest that he is sufficiently determined. The real economy may well be slowing down, but all the nominal indicators indicate a monetary policy that is still too loose, not too tight. M0 continues to exceed its target range; the effective rate for sterling is below where it was when the Chancellor took over; and the growth of the broad money aggregates explains why the Treasury is determined to ignore them.

Mr Major needs to convince people that the Government is not just talking about "bearing down on inflation," but is prepared actually to do so as the howls rise. How is this to be achieved? As the Chancellor foregathers with his helpers at Chevening this weekend, they will have little difficulty in agreeing to a tight budget. But they must also consider how best fiscal policy can be used, above all in relation to the housing market, to buttress a policy that will lead to full membership of the EMS.

The key point, however, is this: Mr Major has very little time and the Government no longer all that much credibility. To take advantage of what he has of the first and make up for the second, the Chancellor will need some courage. With luck, the last few days will have convinced him that there is no alternative.

Sweden's fading consensus

THE MODEL of Sweden as a successful market economy that combines efficiency with social justice continues to hold a curious fascination for the outside world. Reformers in the Soviet Union and eastern Europe are looking with admiration at Sweden as the kind of society they would like to build out of the ruins of their own bankrupt economies. Some people in western countries like Britain continue to believe that the Swedish way of economic management, based on social consensus with a commitment to full employment, remains the example to emulate.

But, as this week's Budget underlines, today's realities are destroying the Swedish myth. The country is heading into serious economic trouble. It will have the lowest growth rate of any western economy except Iceland in 1990 and 1991. Sweden's growing balance of payments deficit will amount to around 4 per cent of the country's gross domestic product by the end of next year. Wage and price rises are running at twice the average of the country's main industrial competitors apart from Britain. Sweden also faces falling levels of investment, low savings, sluggish productivity and a stagnant visible trade balance.

Finance minister Kjell-Olof Feldt is so alarmed at what is happening that he is threatening to abandon long-cherished social reforms if the unions and employers cannot reach agreement within a month on wage restraint for the next two years.

New individualism

In the past, centralised voluntary incomes policies have enjoyed a measure of success in Sweden because the country used to enjoy a large degree of social cohesion. That spirit of solidarity is less easy to find nowadays with the rise of a new workplace individualism. Both employers and workers favour bonus incentives, share ownership, profit sharing and wage systems linked more to performance than to wider social considerations and this has inevitably meant the decline of the old corporatist approach.

Many in the Swedish Labour Movement regret the passing of the traditional system. But as the country grows much more like the rest of western Europe it will be difficult for it to sustain the collectivist, centralised notions that have dominated the country's economic strategy since the 1930s.

High joblessness

As a result the commitment to full employment may have to be reappraised. Sweden's prime minister, Mr Ingvar Carlsson, likes to contrast his country's low official unemployment figure of 1.4 per cent with the much higher levels of joblessness in the European Community, but this is no longer anything to boast about. Indeed, Sweden's present level of unemployment appears to be incompatible with the successful operation of an open market economy.

The high level of inflationary wage rises in Sweden is an understandable result of the imbalance between labour supply and demand. The only rapid way to cool down the economy is to let unemployment rise to a level that will act as a discipline on the wage bargaining system. This does not mean throwing thousands of workers into the enforced idleness of the dole queue. The Swedes have a deserved reputation for retraining workers in new skills but at the same time the country has been surprisingly slow at abandoning smokestack for sunrise industries. By making the labour market looser and more dynamic the Government would therefore be helping to create the conditions in which a more productive and more profitable economy could emerge.

It remains highly unlikely for ideological reasons that the Social Democrats would be ready to question Sweden's full employment strategy in order to cure the country's economic malaise. But there are growing doubts about Sweden's ability to respond in the traditional way. The old cohesion that guaranteed workplace solidarity in a market economy is weakening all the time.

David Marsh, Andrew Fisher and David Goodhart on links between the Germanys

Past	Present	Future
DAIMLER-BENZ 1890/1883		
Aero-engine factory dismantled by Soviets. MBB old Junkers works in Dessau. AEG locomotive, cable, electrical plants.	Sells 300 trucks a year to GDR. AEG manufactures with GDR locomotives	Trucks, locomotives, power supply, computers, washing machines.
SIEMENS 1847		
Former HQ in Berlin; at least 10 big plants in GDR.	Two-way trade about DM100m a year, exports factory automation and medical equipment, buys half-finished manufactures.	Will develop existing co-operation with Robotron.
VOLKSWAGEN 1938		
Owns Audi, formerly in Zwickau. (today's producer of Trabant cars). Chairman Carl Hahn born in Karl-Marx-Stadt	VW engines built in Karl-Marx-Stadt for Wartburg models. VW to buy 430,000 engines by end 1993. VW buys DM50m in GDR parts.	Joint venture to study building small Polo-type car to replace Trabant.
VEBA 1929		
Former HQ in Berlin. Coal, electricity.	Annual purchases DM1bn, sales DM500m. Electricity deliveries began Jan 1.	Electricity sales, chemicals, building materials, environment.
BAYER 1863 **HOECHST** 1863 **BASF** 1865		
Extensive plants	DM1bn two-way turnover	All of previous

Putting the jigsaw back together

Mr Günter Joh, managing director of a medium-sized moulded rubber firm from Gelnhausen in West Germany, wants to do business with the state-owned rubber Kombinat in Waltershausen just over the border in East German Thuringia. But he can get through on the telephone only by ringing between midnight and 6 o'clock in the morning.

As the Berlin Wall crumbles, industrial co-operation between the two Germanys is set to flourish in areas ranging from tourism to transport, chemicals to computers. The current West German stock market boom partly reflects international belief that rapprochement between the two Germanys – leading to some form of reunification – will extend German economic dominance in Europe.

The experience of Mr Joh, heading the 400-employee family company Karl Joh, illustrates however that welding together German capitalism and communism brings problems as well as opportunities. Mr Joh has been battling for weeks with red tape and overburdened telephone lines to try to arrange a meeting with his East German opposite numbers.

Mr Joh has finally arranged to travel to Thuringia next week for talks about possibly supplying engine gaskets for East German cars. But he says: "I will make no decision which costs any money until I know the (East German) election result on May 6. Without a democratic background, I will not go ahead."

Despite the communications difficulties and the political and economic uncertainties, enthusiasm for improving industrial links has grown perceptibly among large and small companies all over West Germany. Some 7,000 West German companies are already involved in East German trade. Many times that number are now potential participants.

Mr Detlev Rohwedder, chief executive of steel group Hoesch, which has about DM 200m (£71.6m) worth of business a year with East Germany, reports "enormous willingness" on the part of West German companies. "There is a patriotic feeling which goes beyond profit and loss calculations." He foresees an "explosion" in East-West German trade.

Leading industrialists from the two German states – including the chairmen of Daimler, Volkswagen, Thyssen, Veba and Metallgesellschaft – are meeting in East Germany over the weekend to discuss economic partnership. They will focus in particular on how far the new East German government is prepared to take the liberalisation in foreign investment rules it announced yesterday.

Although East-West German trade represents only 1.4 per cent of the Federal Republic's annual DM 1,000bn-plus foreign trade turnover, big West German groups have clear natural advantages over competitors abroad.

Mr Jürgen Schwericke, heading a committee set up at chemicals giant Bayer to explore increased East German co-operation, points to "the common language, mentality, history." Mr Schwericke who – like Mr Rohwedder – was born in what is now East Germany, thinks that "political convergence will take place very fast."

Eight of West Germany's top 10 companies were founded in the 19th century, and none is less than 50 years old – while East Germany as a separate state has chalked up just 40 years. As a result, nearly all leading industrial groups in the Federal Republic owned plants and buildings (most of them since bombed, dismantled or run down) in the East before 1945.

West German companies are well aware of the delicate psychology of expanding ties eastwards, as well as of the mountain of legal, financial and social obstacles. Mr Tyll Necker, president of the West German Industry Federation (BDI), who is leading the delegation at this weekend's gathering, has criticised East German plans to limit to 49 per cent foreign participation in joint ventures.

The sensitivities partly reflect East Germany's economic inferiority complex compared with the rich West. A biting cartoon last weekend in Berliner Zeitung, the East Berlin Communist party newspaper, showed Mr Modrow, under a sign "winter sales", handing out nationalised East German factories to West German industrialists queuing up in a supermarket.

Mr Necker denies however that an East German "sell-out" is under way. "When we are thinking of bringing money and machines *into* the country, that cannot be a sell-out."

Mr Klaus Piltz, chairman of West German energy and chemicals concern Veba, the country's largest trader with the East, which has just started piping electricity into the East German grid, declares, "Our idea is not to buy up property and things which exist already. We want to join together with partners (from East Germany) to do something new."

Mr Piltz says he is "optimistic," but adds: "We have no illusions that all our fondest dreams will be fulfilled." Mr Necker warns that economic convergence will be "very expensive for both sides." The task of restoring East Germany's ramshackle infrastructure and industrial fabric, as well as of cleaning up the catastrophic state of the environment, has been estimated to require up to DM 500bn in investment over 10 or 15 years.

"In the short term (for the Federal Republic) there will be burdens," says Mr Necker. "But in the longer term we shall have mainly advantages."

In environmental technology, West German engineering, plant construction and chemical companies see strong market opportunities – especially as Bonn will supply some of the anti-pollution funds.

Metallgesellschaft, which is in metals, mining, engineering and chemicals, already has widespread trading links throughout eastern Europe. Through its Lurgi and Lentjes subsidiaries, it clinched late last year a DM 225m order to clean up noxious emissions from the Buna chemical works near Leipzig.

According to Mr Heinz Schimmelbusch, Metallgesellschaft's chief executive, a host of environment projects could be generated once East German managers are given enough freedom and central planning has been abolished. An East German delegation is visiting RWE, the giant West German utility, next week, for talks on power station and environmental procedures. East Germany also has energy know-how to sell to the West.

> 'There is a patriotic feeling which goes beyond profit and loss calculations'

Although only a few West German companies have outlined specific plans for joint ventures and co-operation accords, many are waiting in the wings. Volkswagen signed a preparatory agreement at the end of last year with the IFA vehicle Kombinat to set up a joint venture to make a new range of small East German cars.

VW already has a joint deal with the East Germans for fitting engines into Wartburg and Trabant cars, and will buy more than 400,000 East German-made engines over the next four years for its Golf and Jetta models.

One of the very few joint ventures actually agreed is to make compact discs, linking East Germany's electronics Kombinat Robotron and the medium-sized Bavarian firm Pilz. A plant will be built from the middle of 1990 in Thuringia to make 24m compact discs a year, involving investment of DM 235m.

Under the greater autonomy now likely to be given to state owned East German groups, Robotron is expected to seek larger co-operation deals with companies like IBM and Siemens.

As East and West Germany start to grow together again, West German companies want to profit from slowly improving eastern living standards. Henkel, the West German chemical group, is discussing making Persil and other products in the GDR. (Present East German washing powder is produced on a former Henkel site.)

Several daily West German newspapers are discussing or planning East German editions – perhaps, to start with, through weekly digests. Der Spiegel, the news magazine, has explored the possibility of a weekly East German edition at an East German printers, although it has no concrete plans at the moment.

The Bertelsmann publishing group plans to start an East German book club in mid-year after a successful experiment in Dresden. Count Albrecht Matuschka, the maverick financier – mindful of the impediments to business from East Germany's ill-developed communications – wants to establish a digital phone system in East Germany.

Big mail order and retail companies see considerable possibilities. Mr Jens Odewald, chief executive of store group Kaufhof – who will attend this weekend's meeting – says: "We are ready to invest, because the market is very near to us. We have considerable know-how in logistics, data processing and purchasing."

Daimler-Benz, West Germany's largest company, which is investigating the chances of a truck venture in the GDR, has made clear that it will proceed only cautiously. Mr Edzard Reuter, the chief executive, stresses that the company wants to prepare the ground first rather than offering gratuitous advice.

However AEG, the electrical group which is a subsidiary of Daimler, has a head start. Several of its former sites are occupied by various Kombinate. AEG has provided electrical equipment for East German-built diesel-electric trains sold to Greece. These trains would also be suitable to help improve East Germany's woeful rail system.

Mr Heinz Dürr, AEG's chief executive, who will be at the weekend meeting, has spoken optimistically of the chance of teaming up with companies in the GDR for the world market. "We would benefit from a reduction in costs, and the GDR would be able to solve at least a major part of its foreign currency problems."

The West German steel and engineering industries are natural partners east of the Elbe. Most of the big Ruhr companies – Mannesmann, Thyssen, Krupp, Kloeckner and Hoesch – turn over at least DM 200m a year in two-way trade with the GDR, which they expect to increase quite quickly. Nearly all have had several meetings with East German partners since the change of leadership in East Berlin last autumn. While their first priority is not actually to manufacture in East Germany, most of the Ruhr companies show irritation at the mooted 49 per cent joint venture limit.

At Hoesch, which is building Robotron two plants for manufacturing printed circuit boards in Berlin and Dresden, Mr Rohwedder says business links do not have to concentrate on joint ventures, which he calls "quite marginal." Joint ventures are not necessary for the transfer of know-how that East Germany requires, he says, citing Hoesch's Orenstein und Koppel subsidiary which is helping out on advice on marketing and accounting.

The big companies will make the headlines in boosting East-West German economic links. But the Mittelstand – small and medium businesses – could be more important.

A poll of the Mittelstand association shows that 77 per cent of members are interested in East German business, and 60 per cent expect to do something concrete relatively soon.

Increased tourism and travel will bring healthy business for the Mittelstand, as well as to larger groups. There is great West German interest, for instance, in building hotels along the Baltic coast. This week a delegation from Hamburg, including Hapag-Lloyd, signed a tourism promotion deal in Dresden. West German travel companies like TUI want to offer more western destinations to East Germans now free to travel abroad.

Dyckerhoff and Widmann, a West German construction group which has already participated in hotel projects in East Germany, looks set to lead a consortium to build a DM 3bn high speed train network between Hanover and Berlin.

The Berlin train link could become one of Europe's busiest traffic routes – and will symbolise the way the two German economies look set to move together during the 1990s.

An article on the practical issues involved in doing business in eastern Europe will appear on this page on Monday.

OBSERVER

Kaifu sorry sashimi

■ Having been put on the French rotisserie yesterday, Toshiki Kaifu, Ourself's lunch guest today, probably considers himself lucky to have escaped to the free trade climate of London. Still, he comes as a bit of a mystery. Any objective contemplation of contemporary Japanese who have moved this country is more likely to focus on Mitsuko Uchida, the pianist, who lives here, Juzo Itami, the film director who has offered new insights into the British blights of food and tax collection, and the representatives of the sumo association arranging next year's seminal visit of the big boys.

Logically, Kaifu should count for something. He became Prime Minister last summer when the LDP threatened to record minus figures in the polls. It is now reasonably certain to retain its overall majority in the next election. This is obviously not exclusively attributable to the fact that he owns 600 polka-dotted ties.

His political peers at home, though, do not rate him. He had hardly left Tokyo when the real men who run the LDP dropped all pretence of respect. Ichiro Ozawa, the precocious secretary general, politely known as the Richard Nixon of Japanese politics, said Kaifu would probably not be allowed to give his policy speech when Parliament resumes because it was more important to get on with the election. This is a bit rough when you are supposed to have been making policy news in Europe.

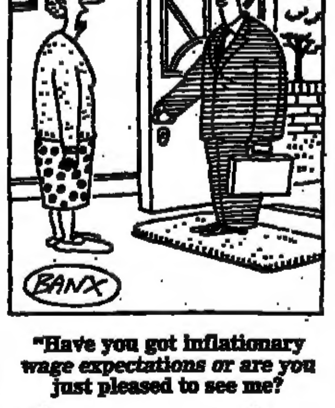
Noboru Takeshita, certainly not forgetting that he had Kaifu's job not so long ago, declared that the election would be held February 18, which is a bit presumptuous because the honour of announcing the date is normally reserved for the sitting prime minister. Rubbing it in, Takeshita said that Kaifu would be allowed to stay in office for some time if the party did reasonably well. Shintaro Abe, not known for alertness while foreign minister, yearns to displace Kaifu and promptly scooted off to Moscow to natter to Gorbachev.

Such treatment at the hands of fellow party politicians is pretty much par for the course in Japan, which should make Kenneth Clarke feel relieved he is British. However, additionally competing for the public eye this week have been ceremonies connected with the engagement of Prince Aya, the second son of the Emperor, to Kiko Kawashima. As Ms Kawashima is the daughter of a humble university professor, the engagement has caught the imagination of imperial watchers (i.e all Japan).

Cheesed off

■ It is worth dwelling on Kaifu's domestic lot because it is popularly supposed that it is only menacing foreigners who get the shaft in Japan. There had been signs of change here. When Konishiki, the mammoth Samoan, became only the second *gaijin* to take a sumo tournament last autumn, this was accepted with equanimity bordering on enthusiasm. Warren Cromartie, who is not Japanese, was chosen the most valuable baseball player in contrast with the fate of poor Randy Bass a few years back who was flagrantly denied the opportunity to beat Sadaharu Oh's home run record.

But intellectual prejudices die harder than sporting ones. Thus it is sad to report that the Global Economic Action Institute, one of the many organisations devoted to the futile task of improving US-Japan relations, has decided that Karel van Wolferen, Dutch author of the excellent, if imperfect, Enigma of Japanese Power, is an unsuitable speaker at a blue ribbon conference it will be holding in Tokyo next week.



"Have you got inflationary wage expectations or are you just pleased to see me?

Van Wolferen's thesis, that the US must get tough with Japan because it does not play by the same rules, has befuddled the Japanese establishment. As a more than slightly miffed van Wolferen tells it, he was approached a few weeks ago when another vigorous Japan critic, Clyde Prestowitz, had to pull out. He agreed to speak, but suddenly was stood down, apparently because Kiyoaki Kikuchi, a retired diplomat and chairman of the GEAI, felt that he was not a suitable person to address a Japanese audience. The preferred substitute is Alan Wolf, former deputy US Trade Representative, who is actually a bit boring, which van Wolferen is not.

Another Tanaka

■ There is also growing curiosity in Japan this week about two Japanese nationals who will return home after fighting for communism in Malaysia for the past 45 years. Kiyoaki Tanaka, 77, and Shigeyuki Hashimoto, 71, went to occupied Malaya in 1944 to work for a Japanese steel company. After the war, they joined the guerrilla Communist Party of Malaya and remained with it until last month when the CPM laid down its arms.

Classmates of Tanaka from his old primary school in Kumamoto have prepared a three-metre-long banner saying, Welcome Home Tanaka. It is hard to imagine Kaifu being so lucky. On the other hand, the Japanese Communist Party, which gave up the ghost years ago, might consider recruiting them.

Ivory sushi

■ The Japanese have a considerable sense of humour. A lot of it is visual, with emphasis on the slapstick, and a lot verbal, and thus not easily translateable. Western style jokes are less common, but the following appeared in the Japan Times about a year ago and reflects the consuming Japanese tendency to introspection.

Writers of six nationalities each produce a book on elephants. The Englishman's, lavishly illustrated, is called "Hunting elephants in darkest Africa;" the Frenchman's "Elephants, how to prepare and cook them." The Italian novel is the elegant "The love life of the elephant." The German writes a five volume tome, replete with footnotes, entitled "A short introduction to the elephant." The American book is called "How to raise elephants in your backyard for fun and profit."

The Japanese produces two books: "Elephants; how they see us Japanese" and "the elephant-Japanese perception gap." Well, you had to be there....

Jurek Martin

POLITICS TODAY

Time to hang up the Royal hat

By Joe Rogaly

Britain's debilitating 19th-century constitution will survive well into the 21st century unless it is transformed by a political upheaval – a bloodless revolution – that makes room for a new political structure. It is probable, although not certain, that what is needed is a republic; at the very least the monarchy should be separated from the constitution. The odds are overwhelmingly against any such outcome, although, as we shall see, there are faint stirrings of debate inside the Labour Party that could, if combined with a large dollop of unprecedented good luck, set off the necessary avalanche of change.

This is not, however, exclusively Left-wing territory. It is true that it is Mr Tony Benn, Labour's ageing Left orator, who has presented proposition after proposition for constitutional reform. "It would be perfectly possible to continue to recognise the Queen as the titular head of a new British republic or Commonwealth, so long as the present Crown Prerogatives, now exercised by the Prime Minister of the day, were made subject to the approval of the House of Commons, which we elect," he says. But some on the purist Right are thinking along the same lines. Professor Stephen Haseler of the City of London Polytechnic argues in favour of a reconstructed, essentially republican, constitution. "There would be no need to abolish the monarchy, which could be established under an Act of Parliament purely for ceremonial purposes," he writes in his recent book, The Battle for Britain – Thatcher and the New *Liberals* (I.B. Taurus. £14.95).

Professor Haseler, a former Labour candidate and founder member of the Social Democratic Party, is most interesting for his association with Mr Norman Tebbit, the Thatcherite's Thatcherite. Both are among the founders of the Radical Society, the purpose of which is to take the economic liberalisation of the 1980s a stage further.

It would be wrong to accuse Mr Tebbit of republicanism-by-association. Mr Tebbit is a sworn loyal servant of the Crown. I have no way of knowing his private thoughts. So let us write him down as unquestionably devoted to Her Majesty. The important point is that there is a strand of opinion on the radical Right as a whole that is in a mood to contemplate the setting-aside of the Monarchy. The reasons for this are partly bad ones – that Prince Charles has come across to such people as an incorrigible "wet" and possibly even a closet socialist, or that the Queen's sympathy for the Commonwealth is either misplaced or mischievous, or that the Throne is associated with a Church whose allegiance to the Conservative Party is in doubt.

There is, however, one outstandingly good reason why true free-market radicals should favour a new constitutional settlement. It is that the decade in which the power of the consumer has been unleashed should now be followed by a decade in which the political rights of the citizen are asserted. For if you subscribe to the proposition that much of the British economy has been liberalised since 1979 you must also accept that this process has coincided with a further strengthening of central government. The frontiers of the state may have been rolled back from the counters of Britain's shops; they have been rolled forward in many areas governed directly from Whitehall. State schools may now be invited to manage themselves, but the Education Secretary will tell them what to teach. Broadcasters may be more cost conscious, but the Home Secretary will on occasion tell them what not to broadcast. Local councils may be held accountable via the local poll tax, but the Environment Secretary will tell them what the spending limit is.

There is nothing new in Britain's elective dictatorship. It was not invented by Mrs Margaret Thatcher, although she has made more effective personal use of it than any other peacetime Prime Minister. It was well understood by Bagehot, who appreciated that the Monarchy is in reality a camouflage for an all-powerful executive. It was crystal clear to Dicey, who foresaw the development of delegated legislation although even he might have been amazed at the contempt in which the Commons is held by the executive today. More recently, Professor F.A. Hayek, the contemporary philosopher of the Right, has equated liberalism with constitutionalism in his The Constitution of Liberty, in which his admiration for the constitution of the United States, with its separation of the powers, its checks and balances, and its diffusion of centres of power, shines clearly through.

Nor is there anything new in the various palliatives proposed from time to time. The list is familiar: electoral reform, which would make one-party domination difficult to achieve, or a Bill of Rights, which would subject the executive to the scrutiny of the courts, or regional assemblies, which would devolve power.

A selective use has been made of this list by the Labour Party, which now proposes to enact into law certain fashionable prescriptions that suit it and call the collection a "Charter of Rights." Labour would thus strengthen the law against race and gender discrimination, pass a Freedom of Information Act, and provide more legal aid. This is all desirable, but none of it seriously constrains the executive. Mr Roy Hattersley, the deputy leader of the party, presented the package last weekend and topped it up with a promise of regional legislatures, which follow naturally from Labour's political commitment to a Scottish assembly. This would not amount to the limit on the powers of government that Hayek perceives in US federalism, since no basic constitution is proposed.

The truly innovative feature put forward by Labour is the replacement of the House of Lords by an elected senate, which would have the power to delay certain legislation. Thus interference with the laws in the "Charter of Rights," or an attempt to abolish the regional assemblies, could be held up for the lifetime of a Parliament. The new senate, and the assemblies, might be elected by proportional representation, which would make them less likely to be dominated by a single party representing the executive. This is worth pursuing, if it can be regarded as a first step on a long road that might lead to a proper 21st century constitution. In terms of constraining the executive during the 1990s, however, it is not worth a basinful of warm spit.

For Mr Hattersley and his ilk do not want to constrain the executive. Britain's constitution gives a governing party with a decent majority a chance to re-shape society in its own mould, be it collectivist or astringently individualist. It can do so on the basis of a third or so of the votes of those on the register, as has been the case during the past 10 years. The deputy leader of the Labour Party plainly wants to get his hands on these extraordinary levers of power in order to do a bit of social re-shaping of his own. That is why he, in common with Mrs Margaret Thatcher, rejects proportional representation for the House of Commons. It would oblige the governing party to share power, to be answerable to a Commons coalition that would represent a real majority of the people. The same applies to the long-standing proposal to incorporate the European Convention on Human Rights into United Kingdom Law. This would give the judges – whom Mr Hattersley understandably mistrusts – a constraining role. That is why Labour has so far rejected incorporation. Mrs Thatcher has rejected it too, for similar reasons.

If the Labour Party comes out for incorporation, as it well may, its entire package will be more likely to appeal to knowledgeable voters in the centre. If it also embraced electoral reform for the Commons, which is improbable, it would have a complete answer to those who suspect the party's apparently expedient conversion from socialism to social democracy. Several opinion polls indicate that electoral reform, properly advocated, could add a few percentage points of "swing" towards Labour in southern England. That could make the vital difference.

Neither of the two major parties can reasonably be expected to adopt the electorally suicidal policy of abolishing or setting-aside the monarchy. Neither would particularly want to; as Bagehot argued, it enables our real rulers to change, without heedless people knowing it. "The masses of Englishmen are not fit for an elective government," he wrote. Perhaps that is still true. Yet it need not be. The conversion to social democracy that Labour proclaims is incomplete while it seeks to become *Her Majesty's* Government, with all the powers over British *subjects* that that implies. The meritocracy that Mrs Thatcher has attempted to create is a constitutional nonsense while the House of Lords exists, an honours system of questionable validity persists, and the entire Ruritanian edifice is propped up by a showbusiness Royal Family.

None of this would matter very much if there was a proper written constitution, but the hard truth is that the constitutional role of the Queen is a hindrance to the development of a modern form of government for Britain. This is not her fault. There is much public affection for the Royals, which is why detaching Her Majesty from the processes of government is an idea whose time has not yet come. When it does, perhaps we should privatise the lot – Lords, palaces, and all – and give Prince Charles the chairmanship of British Tourist Services plc. Then the rest of us could write ourselves a Basic Law, elect a bicameral legislature, introduce a proper judiciary, and start to contemplate political life in a third-millennium democracy.

LOMBARD

The 'green' conundrum

By Peter Marsh

MAKING the right decisions in the environmentally conscious 1990s is going to be hard work. It will involve much balancing between different moral and technical objectives that will place unaccustomed strains on many people.

Here are just a few examples of what lies ahead:

- A new baby has entered the family. You can either use disposable nappies that will add to the mountains of rubbish in landfill sites or turn to reusable bits of cloth that need washing, increasing the nation's energy bill and the volume of detergents in rivers.
- You live next door to a paints factory which plans to expand. Do you object, citing the risks to your health of microscopic traces of noxious chemicals from the plant? Or do you back the scheme on the grounds that products from the factory are to be used in wood protection, so leading to a reduced need to cut down the world's forests?
- The local supermarket has introduced two new health drinks, both admirably free from artificial additives. One is packed in plastic and the other is in a glass bottle. The plastic packaging, even though made in a process that is relatively energy efficient, has to be thrown out as rubbish. But your leaning towards the recyclable glass container is lessened by the thought of those extra car trips to the bottle bank, adding to the pollution load on your neighbourhood through exhaust emissions.
- Auntie Nellie has died and her husband wants a cremation. But you are aghast at the additional quantities of cancer-causing dioxins that will enter the atmosphere as the result. And all those flowers at the funeral are undoubtedly adding to the depletion of the world's biomass, which many think has a huge and undervalued potential use as a fuel resource.

Monopoly-style board games

Agonising conundrums of this kind will surely, if they have not done so already, lead to many new ideas for Monopoly-style board games which will provide both business opportunities and a few crumbs of amusement during the tortured times that lie ahead. More pointedly, the issues that arise underline the need for broad science education to be taken far more seriously in many countries than has been the case up to now.

Dispiriting outlook

You will certainly be able to make a stab at deciding on the right choices without a doctorate in chemistry or physics. But anyone wanting to understand the environmental issues of the 1990s will need a modicum of knowledge about such matters as energy balances, the relationship between natural and man-made pollutants, the natural and infinite chain of change and renewal involved in carbon chemistry and the size of a nanogram. The outlook with regard to these matters is especially dispiriting in the case of Britain, where most people are so ill-schooled in the rudiments of science that they have difficulty explaining why water in a kettle boils.

The UK Government has made a welcome start in aiding science education in schools through the new National Curriculum. This is impressive in its attention to science and the broad way it treats the subject. But it remains to be seen whether schools will be given enough resources to put into practice many of the good ideas in the curriculum. Environmental groups, bashing away at the key aspects of the interaction between human activities and the ecology of the planet, have done a lot in recent years to raise general awareness in these areas. In the past, manufacturing companies have done precious little to talk about the environmental impact of their operations in a way that is meaningful to the general population. As the 1990s progress, they will have to.

LETTERS

Real priorities for the future of British Rail

From Mr Paul Salveson.

Sir, It is a pity that David Sawers ("Removing the politicians from the driving seat", January 9) did not spend some time studying the history of Britain's railways under private ownership before he made the suggestion that "privatisation could take BR out of the political arena."

The story from 1830 onwards is a record of political argument and intervention, with nationalisation in 1948 marking only one particular milestone. Throughout the 19th century and into the 20th railway companies proved resistant to change – particularly in matters of safety – and legislation was required.

Mr Sawers is absolutely correct on the need for BR to recruit bright young trainees from further and higher education, and to provide salaries which both attract and retain high calibre staff generally. However, it is difficult to imagine a private railway company, particularly outside the south-east, being prepared to pay anything above the minimum rate for its technical and operating staff. It is equally naive to expect such companies to provide the sort of training that a modern railway needs.

The sensible alternative for BR is to recognise the strategic importance of the rail network, and its role in the economic regeneration of the UK, particularly in the northern regions, Scotland and Wales. Rail should be offering an environmentally positive alternative to more road building which only leads to the M25 effect of attracting more cars on to newly opened roads.

Most of the success stories on BR in recent years have come through greater collaboration with Mr Sawers's much-detested politicians – that is through democratically elected local authority members – rather than less. More of such collaboration, preferably through new regional transport authorities, seems the best way ahead for BR in the increasingly congested towns and cities of the UK.

At the same time, central government needs to give BR management every encouragement to develop a national freight and passenger network to get the maximum possible benefit from the Channel Tunnel. Investment in freight infrastructure and rolling stock and a programme of electrification must be priorities.

Paul Salveson,
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St Mary's Parsonage,
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Wait a moment

From Mr F.B. Roycroft.

Sir, Mr Hinde is easily pleased ("BR champion", Letters, January 9). His letter should not inspire Network SouthEast to further depths of complacency.

I overheard two frustrated commuters, waiting with me at East Croydon for a (very late) connection to London Bridge, commenting that BR was the only business they could think of that outsiders knew more about than the staff.

The privatised East Japan Railway handles commuter and longer distance traffic to and from Tokyo. In a recent advertisement it said the average delay of ordinary trains that were late was 24 seconds. On bullet trains it was five.

F.B. Roycroft,
8 Hove Park Villas,
Hove, Sussex

Discouraged from seeking bail

From Ms Vivien Stern.

Sir, In discussing the case of Tracey Scott, Justinian ("Civil liberties need sensitive court hands", January 8) rightly draws attention to the courts' extreme reluctance to grant bail pending appeal.

During a lengthy period before trial, Ms Scott showed that she was a good bail risk. Now that she has been sentenced, however, her suitability for bail is inexplicably seen in a completely different light.

Fortunately, the hearing of Ms Scott's appeal has been expedited. Often, however, offenders serving short sentences have largely served them by the time their appeals are determined.

If the appeal is successful, they may receive a fine, probation or a community service order in addition to this period of imprisonment. Not surprisingly, many see this as a double punishment. As a result, some offenders with a good case are deterred from appealing at all.

Before sentence the Bail Act requires courts to grant bail unless they consider the defendant likely to abscond, commit another offence or interfere with witnesses.

The same criteria should apply to bail pending appeal. The risk of temporary release being followed by reincarceration if the appeal fails is one which the offender must take into account in deciding whether or not to apply for bail.

Vivien Stern,
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Not voodoo

From Mr Brian Marber.

Sir, In Wednesday's Lex Column, with reference to the Dow Jones's January behaviour being a guide to the market's behaviour for the rest of the year, the word "voodoo" was used – yet another example of the FT's antipathy to technical analysis.

Technical analysis may be odious to those who have an intellectual approach to markets because it is, thank goodness, short on theory. But it is long on empirical observation.

If January has been a guide to the market's likely behaviour in the past, why fight it? Technical analysis, after all, works on the theory: "If you can't beat 'em, join 'em."

Brian Marber,
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The basic balance: bogey or strong economic constraint

From Mr Colin Squires.

Sir, The recent correspondence on the basic balance poses the question of whether this concept is operational? That is, what evidence is there that countries are forced to maintain some equilibrium in their basic balance – not necessarily as a conscious policy goal but by effects of disequilibrium expressed in, for example, interest rates?

Samuel Brittan ("Bogey of the basic balance", December 14) suggests it is not operational as distinctions between long-term and short-term capital flows are bypassed. The evidence is against him.

The last decade finds only one case, apart from the UK, of a disequilibrium on the basic balance of a Group of Seven country greater than 2.5 per cent of gross domestic product – West Germany in 1986-87.

Examination over the longer period since 1960 finds basic balances of the G7 countries confined within a band approximately plus or minus 2.5 per cent of GDP. The only major exceptions were Italy in the early 1960s (a strong surplus) and Italy in the mid-1970s (a sharp deficit). The only marginal case might be considered West Germany in the early 1970s which saw a less pronounced surplus on the basic balance reaching a one-year peak of 3 per cent of GDP. Major deficits on the current account for other G7 countries in the period since 1960, apart from the UK, were compensated by major surpluses on long-term capital or vice versa.

A narrow band of variation over a prolonged period suggests that, far from being merely a bogey, the basic balance operates as a strong constraint on the economy. No other G7 country in the last three decades sets a precedent for Britain's deficit on the basic balance of more than 4 per cent of GDP in five out of the last six years.

Mr Jeremy Hale's example (Letters, January 8) of Japan speaks against his case as Japan's basic balance (peak deficit since 1979, 2.5 per cent of GNP) shows much greater stability than either its current account (peak surplus 4.5 per cent of GNP) or the combination of its current account plus short-term capital (maximum surplus 7 per cent of GNP) – suggesting that the basic balance is a stronger regulator of the Japanese economy than the other two measures.

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FINANCIAL TIMES
Friday January 12 1990

Modrow will set up state security agency

By **Leslie Colitt** in Berlin

MR HANS MODROW, East Germany's Communist Prime Minister, insisted yesterday that he would set up a controversial security agency in the face of threats from opposition parties to leave round table talks with the Government over the issue.

However, in a major policy speech, Mr Modrow offered the new opposition parties "direct" participation in the coalition Government in an attempt to defuse the crisis.

The Prime Minister also told the Volkskammer (parliament) that the State Planning Commission – at the heart of the old command-style economy – would be replaced by an Economic Committee comprising state company directors, economists and political groups.

He also invited opposition participation in this body.

Mr Modrow said that the security service had to be established to protect citizens from the threats of right-wing political extremism, terrorism and drugs.

Round-table talks with the opposition faced collapse as three of Mr Modrow's coalition partners warned they would withdraw if the new agency was set up before the May 6 elections. They feared that the dissolved State Security Service (Stasi) could be revived in a new guise.

Mr Modrow said he was waiting for proposals on how "competent opposition members could assume direct responsibility in government."

Opposition members, however, called this a "transparent" ploy. Moreover, Mr Modrow's promise that the disbanding of the old security service would be monitored by the Worker's and Peasant's Inspection, an organisation of the old Communist party, was also unlikely to satisfy the opposition.

As he spoke, nearly 300 building workers marched to the Volkskammer in an hour-long warning strike. The marchers demanded an end to readjustment allowances being paid to former security officials and the total dismantling of the security forces. They also called for the Communist party's financial records to be opened.

On the economy, the Prime Minister said that the country's position was "tense," and he appealed for closer ties with the West, notably West Germany.

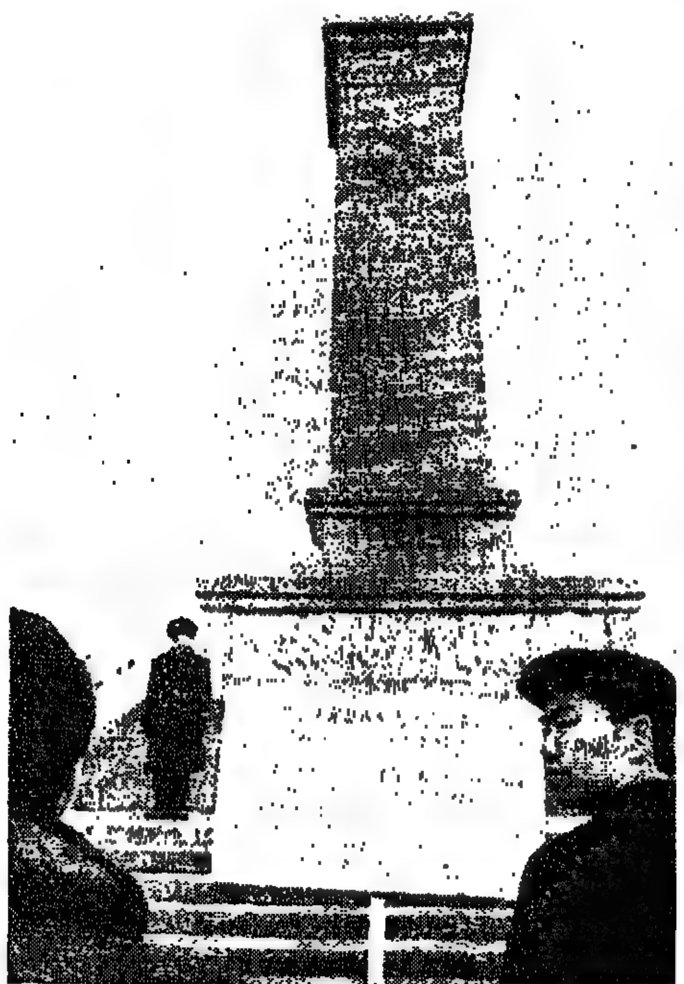
Ms Christa Luft, the Economics Minister and Deputy Prime Minister, told the Volkskammer that foreign companies would not be able to hold a majority share of joint ventures with East German companies although other officials said privately that exceptions were likely.

Ms Luft, presenting the draft changes to the constitution which will allow private industrial companies and foreign investment, said she opposed a clause in the draft which spoke of "preserving the dominance" of state ownership.

This had provoked sharp criticism from the non-Communist coalition parties.

Parliament is expected to approve the constitutional changes today.

Mr Modrow mentioned, almost in passing, the highly sensitive issue of "step-by-step" cuts in the country's enormous price subsidies, which would be replaced by financial compensation. He said it would be discussed at the round table talks.



Visitors to Peking's reopened Tiananmen Square, scene of the bloody suppression of pro-democracy protests last summer, read regulations covering its use. Tourists replace troops, Page 4

Concern mounts in Britain over escalating pay awards

By **Philip Stephens**, Political Editor, in London

THE BRITISH Government admitted its growing concern yesterday that escalating pay awards could pose a serious threat to its economic strategy. It also underlined its determination not to bow to the pay demands of ambulance workers.

Mrs Margaret Thatcher, the Prime Minister, described recent increases in wage costs throughout the country as "very disturbing" and outlined at length the unfavourable comparisons with trends in Britain's major competitors.

Other senior ministers said that high pay settlements in the private sector threatened to undermine the Government's anti-inflation strategy and bring a renewed rise in the unemployment total.

The concerns appeared to harden the Government's stance in the ambulance dispute, with both Mrs Thatcher and Mr Kenneth Clarke, the Health Secretary, emphasising in the House of Commons that the pay deal now on offer could not be improved.

One minister commented that a pay offer by Ford of a 10.2 per cent increase to its workers – rejected by the unions – had further underlined the need for the Government to avoid setting a "bad example" by increasing its offer to ambulance crews.

As the opposition Labour party launched a sharp attack on the Government's handling of the dispute, however, there were signs of unease among Conservative backbench MPs about the political cost of the 17 weeks of industrial action by ambulance workers.

There were also fears that the imminent publication of the recommendations of pay review bodies covering doctors, nurses and dentists would undercut the Government's stance. Ministers expect the review bodies to recommend increases for those groups of more than 8 per cent. That would compare with 9 per cent over 18 months on offer to the ambulance crews.

During a frequently rowdy House of Commons debate on the ambulance dispute, Mr Clarke drew solid, but often less than enthusiastic, support from many Conservative MPs. By contrast, Mr Robin Cook, the Labour party's health spokesman, produced a parliamentary performance which even Tory MPs grudgingly admitted had added to the Government's discomfort.

The Ford unions' rejection of an offer well above the current 7.7 per cent inflation rate underlined the danger of a new wage-price spiral which could undercut the Government's efforts to bring down inflation and interest rates.

The Government wants to avoid any suggestion that it favours a particular "pay norm" or "going rate" in the private sector and ministers are emphasising instead that all awards should be related to improvements in productivity.

Our Labour staff write: Ambulance workers at four stations in West Sussex turned up the heat in the dispute sharply yesterday when they went out on unofficial strike.

The action breaks the promise stressed by ambulance union leaders throughout the dispute – that crews would never take action which would affect 999 emergency cover – and could knock the public sympathy so far enjoyed by ambulancemen.

Elsewhere, upward pressure on pay was maintained by a 14 per cent pay claim on behalf of 750,000 white-collar staff in local government and a claim for 10 per cent by BBC staff.

It was disclosed yesterday that Ford union leaders had voted unanimously for a strike over the company's 10.2 per cent pay offer late on Wednesday night before the company's negotiators offered a further meeting next week. Page 6

THE LEX COLUMN

A fresh twist to the wage spiral

From a market viewpoint, the chief question about the current wage round is whether it is worse news for bonds or equities. The Ford example – traditionally a benchmark for the rest of manufacturing industry – suggests that earnings growth could reach 10 per cent in the first quarter of this year, at a time when productivity growth in some sectors of the economy is practically nil. If employers find they can raise the extra cash through inflationary price increases, bad news for gilts; if the cost comes out of their trading margins instead, equally bad news for equities.

The third option, of course, is to shed labour. The scope for this is unclear at a time when employers have invested heavily in training and may be hoarding young workers against future scarcity. Nor is it clear that widespread redundancy can be implemented without a struggle at this early stage in the economic downturn, especially given the example of cupidityset by many senior managers in the increases they have awarded themselves.

On the other hand, a corporate sector facing a third year of financial deficit may be driven to such measures sooner rather than later. But not if the UK economy has its soft landing, or if a further decline in sterling bails out the export sector. Of course, these are precisely the two factors sustaining the equity market close to its all-time high. It could well be that the corporate sector is going to muddle through somehow, but the odds against it seem to be lengthening.

Inchcape-Toyota

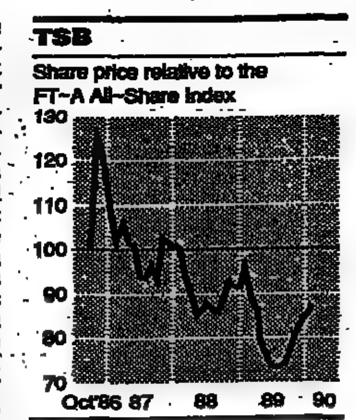
When a Japanese car maker capitalised at $33bn is horse-trading with a British distributor one thirtieth its size, it is easy to see who will gain the upper hand. Especially so in the Inchcape/Toyota case, where the distributorship makes roughly a fifth of the British company's profits and fund managers are wondering what happens if the contract is not renewed.

If, as seems likely, the new 18-year contract with Toyota is the best Inchcape could have got, yesterday's 5p rise in its share price to 307p looks reasonable. The £60m it gets to give Toyota majority control of Toyota GB should clear any extra debt Inchcape incurred in buying two Hong Kong distribution businesses last November. This leaves it with extra firepower as it sets about replacing some of the income stream it will lose from Toyota GB between now and 1998.

One false note is Inchcape's reluctance to talk about how the £60m was calculated. We know that Toyota GB's taxable profits were growing 35 per cent a year from 1984 to 1988. Another surge forward is likely post-1992, when Toyota's Derby factory is coming fully on stream. But a price-earnings multiple is little use in assessing the transaction; and beyond Toyota's talk about selling 85,000 cars in the UK, there is no data for outsiders to make a stab at discounted cash flow sums.

A second difficulty is that Toyota is buying its 4.7 per cent of Inchcape at a discount to the market price. True, Toyota has agreed not to trade the shares. But it does have the benefit of a mass of inside information about how much the Toyota GB business is really worth.

TSB



There is something rather unnerving about the stock market's knee-jerk reaction to yesterday's terrible full year figures from the TSB. The shares rose to their highest level in more than a year following a 63 per cent drop in pre-tax profits. The fall was primarily due to an exceptional provision of £201m, which is equal to the TSB's total dividend payments to its luckless shareholders over the last three years. While the assumption has to be that the TSB has been over-conservative, this scale of provisioning is normally reserved for a troubled Third World lender, not a risk-free high street bank.

Apart from the sheer scale of the exceptional provisioning, the doubling of normal provisions when total advances only grew by 29 per cent is another worry, especially since the TSB is going for market share at a time when the UK economy is turning down. Similarly, the 13 per cent rise in operating income and the 20 per cent growth in operating costs explain why the TSB is having to rush through such a painful cost-cutting programme.

However, cutting costs may turn out to be the easy bit. The big question now is whether the new management can generate sufficient new business to enable the group to be earning an above average return on capital by the time its takeover defences disappear in less than two years' time. If the TSB is to avoid the ignominy of takeover, it has to demonstrate that it can earn upwards of £400m pre-tax this year and £500m next. If this proves too difficult, it should waste no time in activating its welcome share buy-back programme and using the bulk of its £500m or so of surplus capital to reward its shareholders. They deserve it.

Albert Fisher

The changed terms of Albert Fisher's link-up with its US investor Corporate Partners shows the UK institutions still flexing their newly developed muscles over transactions they dislike. When launched, the deal seemed an attractive way for Albert Fisher's management to secure a long-term supportive shareholder. But some institutions disliked the way Corporate Partners got seats on the board in proportion to the size of its shareholding. They have now forced any proposed Corporate Partners directors to face election at a separate EGM. Other objections have not been met: the combination of placing and rights issue, the acquisition of a substantial stake at a discount and the creation of a passive holding supporting the board.

At root, the dispute harks back to the old argument of management ambition versus institutional rights of pre-emption. The latter retain their moral justification – it is the shareholders who own the company – and their mercenary rationale – underwriting commissions. It would help if managements could be made to feel confident of the same long term support from the existing institutional community as Fisher is seeking from Corporate Partners. But that seems as far away as ever.

Mexico agrees credit package

Continued from Page 1

per cent, instead of the lower interest rate some Treasury officials were proposing. This still left a shortfall of about $300m.

This will be covered by investing some of the $7bn for the period before the agreement becomes effective, accounting for about $200m, with the remainder being provided from Mexico's own resources. The deal also depends on a $1.2bn standby credit to be provided by commercial banks, necessary because the IMF and World Bank will not disburse all their contribution to the bond credit enhancements immediately.

Citicorp and Bank of America are also then likely to raise a separate oil facility for Mexico from commercial banks,

Pentagon to scrap 42,000 jobs

By **Lionel Barber** in Washington

THE US Department of Defence yesterday announced a management shake-up in weapons procurement which would scrap 42,000 jobs and aim to save $39bn over the next five years.

The reforms are intended to streamline the Pentagon's cumbersome $100bn-a-year weapons-buying business. In the past few years the system has been the target of allegations of waste and corruption, while fraud indictments are outstanding against several prominent contractors.

Mr Richard Cheney, Defence Secretary, has also directed his top officials to review overall US defence strategy, including expensive aircraft projects such as the B-2 bomber, in response to changes in East Europe and the apparent decline in the Soviet threat.

Mr Cheney acknowledged yesterday that his package of procurement reforms was part of his plan to reduce the Pentagon's budget at a time of mounting congressional pressure to cut military spending.

"Every dollar we can cut out of the cost of running the Pentagon is a dollar we don't have to cut out of force structure, readiness, or the quality of life for our men and women in uniform," he said.

On average, the US Defence Department conducts 15m transactions a year, supervised by an acquisition system staffed by almost 600,000 uniformed and civilian employees worldwide. There are more than 26,000 auditors and inspectors alone at the Pentagon.

The entrenched bureaucracy has worn down most reform-minded Defence Secretaries. However Mr Cheney, working closely with Mr Donald Atwood, a former senior executive at General Motors, expressed optimism that his ambitious savings targets could be met.

Mr Atwood said about half the savings would be achieved in logistics such as supplies, transport and clothing. The other half would come in the acquisitions process where "too many of our major weapons systems are overrun, late, or technically deficient, or a combination of all of them."

Mr Cheney has ducked the challenge of creating a central purchasing agency. Instead, he has created a streamlined chain of command through which full-time acquistion corps in the army, navy, air force and marines must report.

UK ready to lift ban on ANC

By **Michael Holman** in London and **Patti Waldmeir** in Johannesburg

THE BRITISH Government appears set to end its ban on ministerial contacts with the outlawed African National Congress of South Africa. A meeting between Mr Douglas Hurd, Foreign Secretary, and Mr Walter Sisulu, the released ANC leader, is likely to take place later this month.

Western diplomats believe the ANC has suspended its guerrilla activities as part of efforts to pave the way for the release of Mr Nelson Mandela, the imprisoned ANC leader, and set in train constitutional negotiations with Pretoria.

This move, coupled with statements by Mr Mandela stressing his support for a peaceful settlement in South Africa, means that the organisation is seen as having met the condition for such talks laid down by Mrs Margaret Thatcher, Britain's Prime Minister. She has said that the ANC must end violence before talks at British ministerial level can be held.

The organisation's recent threat to intensify its guerrilla campaign is treated as rhetoric which does not reflect the situation on the ground, while Mr Sisulu is not directly associated with ANC violence because he has spent the past 26 years in prison.

Mr Hurd's expected meeting with Mr Sisulu would be the highest-level contact ever held between London and the ANC. It reflects improved Western perceptions of the ANC.

Gorbachev says fate in balance

Continued from Page 1

Wagging his finger, he attacked nationalist critics, pleading that the people recognise the reforms they had seen already.

"Could you ever before put your questions like you are putting them now?" he said.

"No, never. If somebody tried to do that, you all know what happened to that person."

The Soviet leader has taken an extraordinary personal gamble in facing the manifestation of Lithuanian nationalism himself – although he did not attend the mass rally.

Brazil tightens money controls

By **John Barham** in São Paulo

BRAZIL'S central bank has tightened controls over currency transfers abroad to prevent a possible run on official reserves before President-elect Fernando Collor de Mello's inauguration on March 15.

The bank said the measures were also taken to counter the flow of dividend remittances by subsidiaries of multinational companies to their parent companies, due on 1989 operations. However, São Paulo currency traders speculate that the bank is trying to shore up its currency reserves, weakened by dwindling trade surpluses.

The central bank ruled on Wednesday that profits, dividends and other remittances will now be delayed for four months, instead of two months as before.

Companies which deposit the local currency equivalent of their transfers with the the central bank from today will have the remittance executed only in May. Repatriations of capital will be delayed for six months, instead of four months, as before. Companies will receive no interest on the deposits.

The move is the latest in a series of government decisions, first introduced last July, to protect Brazil's currency reserves. The central bank says its reserves stood at about $7.3bn at the end of 1989. It forecasts a $3bn net capital outflow this year at the bank.

Some multinationals have reacted to increasingly rigorous controls by reinvesting more of their profits in Brazil. Bankers report that many others have padded their figures to disguise profit remittances as payments for imports.

In July, Brazil began reducing service payments on its $110bn foreign debt. It later imposed restrictions on currency transfers. In November it delayed payments for imports by two weeks.

WORLD WEATHER

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	15	59	Dubrovnik	F	11	52	Malta	[illegible]	[illegible]	[illegible]	Rhodes	F	15	59
Algiers	F	14	57	Edinburgh	[illegible]	12	54	Manchester	C	11	52	Rio de J'o	[illegible]	37	99
Amsterdam	Dr	9	48	Faro	S	13	55	Manila	C	[illegible]	[illegible]	Rome	S	[illegible]	[illegible]
Athens	F	12	54	Florence	S	6	43	Melbourne	S	22	72	Salzburg	S	0	32
Bahrain	S	17	63	Frankfurt	C	2	36	Mexico City	C	21	69	San Francisco	F	[illegible]	[illegible]
Bangkok	F	32	90	Funchal	S	17	63	Miami	S	14	57	[illegible]	S	1	34
Barcelona	F	13	55	Geneva	C	-1	30	Milan	S	7	45	Singapore	F	28	82
Beirut		–	–	Gibraltar	R	[illegible]	[illegible]	Montreal	C	-5	23	Stockholm	[illegible]	5	41
Belfast	C	11	52	Glasgow	C	12	54	Moscow	C	[illegible]	[illegible]	Strasbourg	[illegible]	-1	30
Belgrade	[illegible]	-3	27	Guernsey	C	8	46	Munich	S	-7	19	Sydney	F	21	70
Berlin	[illegible]	5	41	Helsinki	Sn	-2	28	Nairobi	F	25	77	Taipei	C	22	72
Biarritz	S	[illegible]	[illegible]	H. Kong	S	22	72	Naples	S	12	54	Tangier	[illegible]	12	54
Bombay		–	–	Innsbruck	S	-2	28	[illegible]	F	30	86	Tel Aviv	S	14	57
Bordeaux	[illegible]	3	37	Inverness	F	12	54	New Delhi	[illegible]	20	68	Tenerife	F	18	64
Brussels	S	7	45	Islamabad	[illegible]	18	64	New York	C	4	39	Tokyo	C	13	55
Budapest	[illegible]	-5	23	Istanbul	S	7	45	Nice	S	13	55	Toronto	C	1	34
B. Aires	F	28	82	Jakarta	R	30	86	Nicosia	[illegible]	14	57	Tunis	[illegible]	[illegible]	[illegible]
Cairo	S	21	70	Jersey	C	7	45	Oporto	S	[illegible]	[illegible]	Valencia	R	[illegible]	[illegible]
Cape Town		–	–	Jo'burg	F	19	66	Oslo	F	[illegible]	[illegible]	Venice	S	7	45
Caracas	C	27	81	Lima	F	25	77	Paris	C	3	37	Vienna	Fg	-5	23
Casablanca	C	14	57	Lisbon	S	9	48	Peking	S	9	48	Warsaw	R	5	41
Chicago	S	4	39	London	C	[illegible]	[illegible]	Prague	S	1	34	Washington	F	1	34
Cologne	[illegible]	6	43	Los Angeles	Fg	12	54	Reykjavik	S	-6	21	Zurich	C	-3	27
Copenhagen	[illegible]	7	45	Luxembourg	Fg	[illegible]	[illegible]								
Corfu	S	11	52	Madrid	S	7	45								
Dallas	S	10	50	Majorca	F	14	57								
Dublin	F	11	52	Malaga	F	13	55								

Readings at mid-day yesterday
C-Cloudy Dr-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Rocard says Japan not following rules

Continued from Page 1

In a newspaper interview on Wednesday, Mrs Cresson called on the Europeans to "fix clear commercial rules for the Japanese," and urged more firmness towards Japanese imports and investments in Europe.

She argued that Europe should develop a common industrial policy, bringing together the large European industrial groups. "It is not enough," she told the Tribune de l'Expansion, "to say to the Japanese, you are not playing the game, so you will see yourselves coming up against much more severe rules for entry into the European Community, whether in the car sector or in electronics. We must build a European industrial policy, even if that is not to the taste of the English."

Mrs Cresson said she did not share the view of those who said it was better to have Japanese investment rather than unemployment. "We risk having Japanese investments and unemployment."

She said she agreed with Mr Jacques Calvet, head of the PSA Peugeot car group, that Japanese investments in Europe, and especially in France, were destructive of jobs.

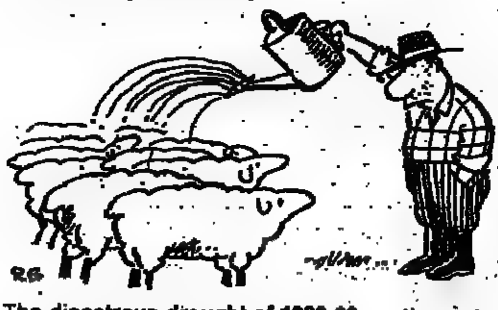
She concluded: "The English disaster is there at our gates to show that the absence of an industrial policy leads one day to a plea for an armistice."

Mrs Cresson was promptly contradicted by Mr Roger Fauroux, Industry Minister, who denounced the advocates of protectionism: if Japanese cars were penetrating the French market it was perhaps because French cars were less good.

FINANCIAL TIMES
COMPANIES & MARKETS
Friday January 12 1990

INSIDE

Slow recovery for New Zealand wool



The disastrous drought of 1988-89 continues to hit the New Zealand wool industry. The deaths of thousands of sheep mean that production this season will be down at least 10 per cent. It will be at least a year before there is any significant recovery in the size of the national sheep flock and two years or more before it regains the numbers lost through the drought. In the meantime, producers are having to face up to a number of other problems, including the emergence of the Soviet Union as its biggest customer and the continued absence of China as a major buyer. Page 24

Germans in euphoric mood

Euphoria, waning perhaps but still very much in evidence, continues to be the order of the day on West German stock markets. But this is interspersed with moments of panic, doubt or disillusion, or periods of sober profit-taking, when events in eastern Europe look like getting out of hand. Andrew Fisher can think of no other explanation for the readiness of Japanese housewives, among others, to pile into German stocks. Page 36

Keeping under its shell

Pall is the world's leading manufacturer of filters and fluid clarification equipment, with annual sales pushing $500m and a market capitalisation of $1.3bn. But partly because of its evolutionary approach to growth and partly because — as one fund manager puts it — it is "at the high-tech end of what is basically a boring business" the Long Island, New York-based company receives scant attention in the financial press. Even its decision to join the still tiny group of US companies with Britons as chief executives could hardly have been designed to shock. Mr Maurice Hardy (above) has been with Pall since 1962, when his small UK engineering company was taken over by the US concern. Andrew Baxter looks at a company that is proud take things gradually. Page 17

Beer-drinking jamboree

Being tipped by The Economist magazine as the organisation which puts on the best annual jamboree for its members is not helpful for any group which is trying to take itself more seriously. For the Association of International Bond Dealers, this accolade epitomises the difficulty it has had in shedding its social group image and assuming the mantle of a large professional business. Recently, the AIBD's progress has been beset by hazards. According to one observer, its own members still mistake it for the Association of International Beer Drinkers. Page 19

Market Statistics

Companies in this section

Chief price changes yesterday

FRANKFURT (DM)

Rises			
Commerzbank	308.5	+	3.5
Daimler-Benz	862	+	11
Deutsche Bk	855.5	+	25
Nixdorf	335	+	42.5
Porsche	941	+	46
Volkswagen	559	+	8

NEW YORK ($)

Rises			
Brazil Fd	15⅝	+	⅝
MEM	13⅛	+	2⅝
Falls			
Germany Fd	22⅞	−	1⅛
Morgan J.P.	41¼	−	1⅛
Philips Inds	18⅛	−	3⅛
Promo Mtr Inns	17¼	−	2⅝

PARIS (FFr)

Rises			
Bancaire Cie	645	+	12
CGE	540	+	15
Ocean	319	+	9
Suez	475	+	10.1
Valeo	846	+	24
Falls			
Paribas	661	−	5

TOKYO (Yen)

Rises			
Kodensha	4200	+	150
Kokoku Steel	1320	+	200
Lead	1300	+	150
Nakamichi	1680	+	180
Nakayo Tsu	1190	+	140
Sonar	2260	+	260

New York prices at 12.30pm.

LONDON (Pence)

Rises			
Brit. Petroleum	336	+	5
Cadis	132	+	6
Coest	274	+	5
Horne (R.)	390	+	40
Inchcape	307	+	5
Laporte	511	+	8
MB Grp	224	+	9
Next	100½	+	4½
RHM	437	+	8
Redland	611	+	14
Rentokil	402	+	11
Securiguard	276	+	18
TSB	136½	+	½
Tilbury	664	+	21
Vickers	216	+	3
Wellcome	788	+	11
Willis Faber	292	+	10
Falls			
Dixons	134	−	4
Gerrard Natl.	305	−	10
Legal & Gen	421	−	5
Nobo	159	−	41
Prudential	218½	−	5½
THORN EMI	802	−	13
Trafalgar Hse	367	−	6

Campeau stores predict loss

By Bernard Simon in Toronto

THE TWO debt-ridden US department store groups owned by Campeau Corporation expect to suffer after-tax losses totalling more than $1.7bn over the next five years, according to a document filed with the US Securities and Exchange Commission. Campeau said the losses of Federated Department Stores and Allied Stores could approach $2.3bn between fiscal 1991 and 1995 if credit to the groups is restricted. The forecasts assume a "normal operating environment".

The future of Allied and Federated was still in the balance yesterday as a marathon Campeau board meeting in Toronto entered its fourth day. The Campeau directors are discussing numerous options for the restructuring of Allied and Federated.

They include filing for protection from creditors under Chapter 11 of US bankruptcy laws, and asking junk bond holders to accept some other instrument which lightens the companies' debt servicing burden.

Federated and Allied were left with debts totalling about $7bn after their acquisition by Campeau in 1986 and 1988 respectively. The latest filing reflects the enormous management burden which the debt load has put on the two groups.

It notes that Allied and Federated "have no previous operating experience under conditions such as those in which they are now operating." Furthermore, the heavy debt and the two groups' liquidity problems "have adversely affected [their] businesses, and are expected to continue to impact such businesses adversely."

Campeau said that concerns stemming from their highly-leveraged financial position will contribute to a 1.1 per cent drop in Federated's gross margin as a percentage of sales for the year to January 27 1990. Allied's margins are expected to be 0.4 per cent lower than in the previous year.

Poor inventory management and more aggressive pricing were also blamed for the narrower margins. Allied and Federated are expected to post combined net earnings of $761m in the year to January 27 1990, before taking account of interest and tax payments and depreciation.

The two department store chains said earlier that they were paying all their clothing suppliers for goods shipped in December. The payments, totalling an estimated $130m, were in doubt as fears grew in the past few weeks that Federated and Allied would be forced to file for protection under Chapter 11.

Campeau also announced that its chief financial officer had resigned after less than a year in the job. Mr Russell Davis, who was also CFO of Allied and Federated, will be replaced by Mr Chance Bahadur, formerly treasurer of the Marriott hotel and food service group. Campeau has had three chief financial officers in the past year.

Campeau faces its next deadline next Monday, when a group of North American and Japanese banks will have the option of calling a default on Allied and Federated loans unless the two groups can assure the banks of their solvency.

Swap provisions hit Britain's TSB

By David Lascelles, Banking Editor, in London

TSB GROUP'S profits were sliced by more than half last year because of weakening markets and a heavy toll of provisions, particularly against controversial local authority swaps.

Sir Nicholas Goodison, the former head of the London Stock Exchange who is now chairman of the UK banking group, yesterday described the outcome as "not satisfactory."

In the year to October 31, TSB earned only £155m (£257m) before tax, down from £420m. Part of the drop was due to the softening of the UK retail banking market where high interest rates have damped down credit demand. This also had an impact on other parts of the group. Estate agency services, for example, lost £9m.

But there were also £201m of exceptional provisions, including £125m for the cost of sweeping reorganisation and staff cuts which were set in motion last year. The 29,000 staff in the group's banking operations will be reduced by over 5,000 by 1994.

There was also a £76m provision against swaps contracts with local authorities, arising from the recent court decision in the Hammersmith and Fulham case which ruled the contracts *ultra vires*. TSB is the first major UK bank to announce such provisions, suggesting that others will follow suit.

TSB is a large player in the local authority banking market with about £500m nominal value of swap contracts. Sir Nicholas said he still hoped to see the verdict overturned on appeal, but he believed it prudent to provide against a worst case loss.

Overall, the results painted a picture of a group grappling with heavy costs, but doing its best to capitalise on the strengths of its unique structure. Although the cost/income ratio of over 72 per cent was well above last year's 67.8 per cent, it was down from 75 per cent at mid-1988.

In commercial banking, the acquisition of Hill Samuel has enabled TSB to transform a greater proportion of its huge deposit intake into loans.

One of TSB's biggest problems remains its exceptionally low gearing and high surplus capital. Sir Nicholas said he would seek shareholder approval for a share buy-back programme.

Earnings per share fell to 6.6p (19.2p). A final dividend of 2.95p raises the total to 5.8p (5.24p).

Lex, Page 12; Picture, Page 21

Hosiery manufacturers try Europe on for size

Alice Rawsthorn on the industry's changing structure

For months the roads around Lake Garda in northern Italy have been clogged with lorries delivering new machinery to the hosiery factories in and around the region.

The Italian hosiery companies are preparing for battle. Traditionally the European market for stockings and tights has been fragmented between different companies concentrating on their own countries. But the market is changing.

The big European producers — such as Golden Lady and Omsa of Italy, Pretty Polly and Aristoc of the UK — are becoming increasingly internationalised. And Sara Lee, the Chicago-based consumer products group which dominates US hosiery, has entered the European market through a series of acquisitions.

It seems almost inevitable that the European market will become far less fragmented in the 1990s. A recent report by TMS Partnership, the London-based research consultancy, concluded that probably it would be shared between a small number of large companies. The fight is now on to see which companies these will be.

This picture of reshuffling and restructuring comes at the end of an extraordinarily buoyant period for hosiery in Europe. The most dramatic growth was in the southern countries, Spain and Italy, where hosiery sales almost doubled during the 1980s. The more mature markets of northern Europe benefited from a boost to sales as hosiery became much more responsive to fashion.

The industry is dominated by Italy, which accounts for almost half of production in Europe. The Italians — with Golden Lady and Omsa in the forefront — are also more export-oriented than their competitors. Half the industry's output is sold outside Italy.

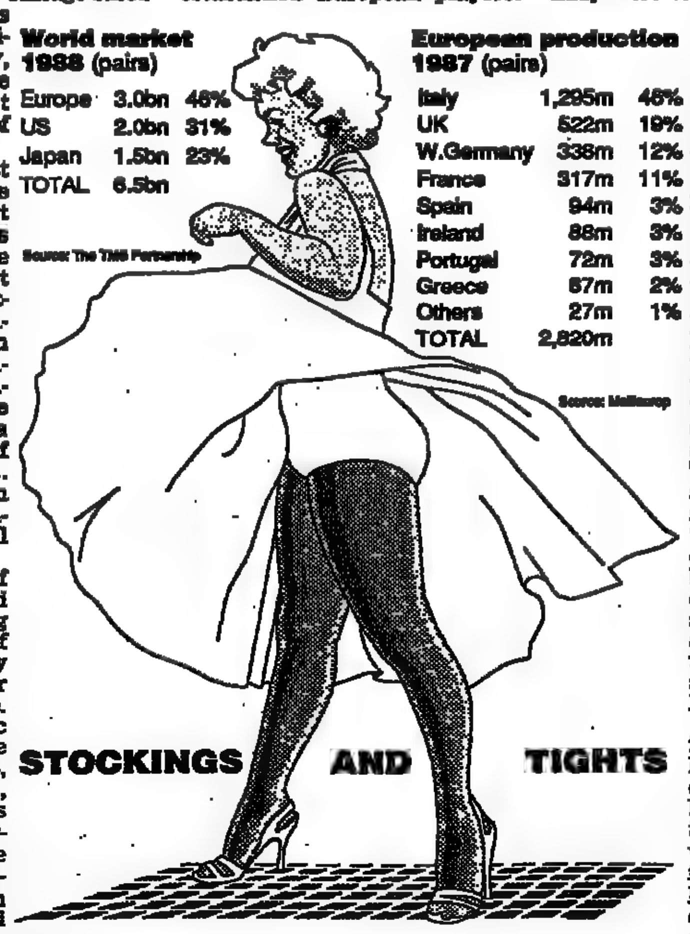
By contrast, the other European companies have tended to concentrate on their own countries. France is dominated by Dim and Le Bourget; the UK by Pretty Polly, part of the BTR industrial group, and Aristoc, a subsidiary of Courtaulds; and West Germany by Fred Vatter and Kunert.

But Sara Lee has now arrived in Europe. The US company, which is better known by Europeans for chocolate cakes than tights, already towers over the US hosiery market. It is now intent on expanding into Europe.

It began in 1988 by buying Dim in France. In the following year it acquired a minority interest in Fred Vatter of West Germany. It then took control of Elbeo in the UK, one of Vatter's subsidiaries.

Sara Lee has since invested in extra capacity at Dim in France and has integrated Dim's operation in the UK with that of Elbeo. Mr Weldon Schenck, vice president, said it intended to increase sales to other countries. "But we are taking things day by day," he said.

Sara Lee's arrival poses a serious threat to the stability of the established European players.



World market 1988 (pairs)

Europe	3.0bn	46%
US	2.0bn	31%
Japan	1.5bn	23%
TOTAL	6.5bn	

Source: The TMS Partnership

European production 1987 (pairs)

Italy	1,295m	46%
UK	522m	19%
W.Germany	338m	12%
France	317m	11%
Spain	94m	3%
Ireland	88m	3%
Portugal	72m	3%
Greece	57m	2%
Others	27m	1%
TOTAL	2,820m	

Source: Mellierop

STOCKINGS AND TIGHTS

Golden Lady has already responded. It increased its capacity by 20 per cent last year and will do the same this year. Late last year it acquired Focus on Legs, a privately-owned company, as a marketing base in the UK.

Golden Lady has also changed its export strategy by emphasising branded products, rather than own-label. It is now Europe's biggest hosiery producer and exports half its output.

The other European producers are also becoming more active in other countries, albeit less aggressively than Golden Lady. The two largest UK manufacturers — Pretty Polly and Aristoc — presently export less than 5 per cent of output, but both intend to increase overseas sales, concentrating on value-added products.

Omsa of Italy is increasing its capacity. Le Bourget of France is becoming more active in other countries. Wolford, the leading Austrian producer, is strengthening its position in "designer" hosiery across Europe.

One catalyst for this activity is the conviction that the old differences in style between different countries are being eroded and that there is now an opportunity to operate as a hosiery producer across the continent.

But the new emphasis on exports is also fuelled by the fear that, unless the established manufacturers increase sales to other countries, they could be very vulnerable if Sara Lee and Golden Lady were to make inroads into their own markets.

It remains to be seen how successful Sara Lee and Golden Lady will be. In theory, hosiery looks like a market which is ready for a pan-European approach. In practice, things might not be so simple.

One problem is the fickle nature of hosiery sales which tend to wax and wane with the weather — the colder the better — and with fashion. The 1980s style of short skirts and shoulder-padded "power" dressing could scarcely have been better designed to boost sales of stockings and tights. The new trend towards sportswear is far less favourable.

Another problem is distribution. The large manufacturers have invested heavily in new technology to provide a faster, more flexible service. Retailers now expect hosiery to be delivered within a day or two of an order being dispatched.

This could favour local manufacturers, especially over a company like Golden Lady, which supplies its export customers from Italy. But such an advantage might be eroded after the introduction of the unified market in 1992, which should speed up the flow of goods across the continent.

Similarly, the differences between styles across Europe may have diminished but there are still significant differences between the type and even the size of hosiery preferred in different countries. "We talk about the European market, but it is still really a collection of national markets," said Mr Sandro Veronesi, vice president of Golden Lady. "But it is changing."

Toyota plans stake in UK distributor

By John Griffiths in London

TOYOTA, which plans to make 200,000 cars a year in the UK by the mid-1990s, is to take a staged, 51 per cent stake in its Inchcape Group-owned UK distributor over the next eight years.

But Toyota (GB) is also being awarded an 18-year exclusive distribution contract for Toyota vehicles, and the Japanese company is taking a "symbolic" stake of 4.7 per cent in Inchcape itself to stress the commitment between the two groups.

Toyota is to pay £60m for its holding in Toyota (GB). It will acquire 5 per cent when the deal is signed, 20 per cent in mid-1993 and a further 26 per cent at the start of 1998.

Lex, Page 12; Details, Page 20

Trevor Humphries

All aboard: Cantieri Riva president Gino Gervasoni (left), with Vickers chairman Sir David Plaistow and Rolls-Royce Motors chief executive Peter Ward at the International Boat Show in London yesterday

Vickers buys Italian powerboat builder

By David Churchill in London

VICKERS, the diversified UK engineering, defence equipment and luxury car group, yesterday spent £9.1m ($15m) on taking control of an Italian luxury powerboat builder, Cantieri Riva.

The move is aimed at bolstering Vickers' involvement in the top end of the luxury engineering market because Riva will come under the same management as Rolls-Royce Motors.

Vickers also hopes it will be able to use its engineering expertise to help Riva develop its product range. Vickers' Kamewa subsidiary is a world leader in water jet technology used in powerboats.

The UK company is buying only the available 75 per cent of the share capital of Riva, including 55 per cent from a nominee representing Schroder's Italian Venture Fund. The remaining 25 per cent is owned by a private investor.

Riva was the first investment for the Schroder fund, which closed in October 1988 with £40m backing. Schroder said yesterday that the Riva sale was made after an approach had been made in December. It declined to disclose the profit made on the deal.

Riva is one of Europe's leading luxury builders of powerboats in the 26 to 60-foot range popular with celebrities and industrialists. Prices range from £170,000 to more than £1.5m.

Founded in 1842, Riva's latest product range includes the Riva 32, a joint venture with Ferrari Engineering. Up to 60 boats a year are built by Riva at present at its manufacturing plant on Lake Iseo, 50 miles from Milan.

Last November, Riva bought a controlling interest in Campanella, a private company whose boatyard at Savona near Genoa gave it extra capacity, especially in the construction of larger boats.

Vickers believes that it has the marketing muscle not only to develop Riva's market share worldwide but also in the important US market. The world market for powerboats over 26 feet in length has been among the fastest growing sectors of the boat industry over the past decade.

Vickers' move to acquire a control in Riva follows other developments in the boat industry over the past few weeks.

Britain's Fairline Boats announced last week that it had received an approach for a possible takeover, but declined to give further details. Vickers said yesterday it could not comment about any takeover speculation involving Fairline.

INTERNATIONAL COMPANIES AND FINANCE

Paramount aims to cash in on Europe's box office potential

By Raymond Snoddy

A LONDON play about a middle-aged and disenchanted housewife who brightened up her life with an amorous adventure in Greece has provoked Paramount Pictures into a big expansion of film-making in Europe.

A Paramount executive who saw the play decided it would make a film and the result, Shirley Valentine, has been a hit in the UK, a modest box office success in the US and is soon to open in other European cities and Australia.

The film, which cost only $6m to make compared with the Hollywood average of $20m, was not a blockbuster, but it was enough of a success to start a train of thought.

"It might be a good idea to do it again and again. Let's set up a Paramount Pictures production unit that will function in Europe," is how Mr Sidney Ganis, president of the studio's motion picture group, described the thinking behind yesterday's decision.

Mr Ganis believes Paramount, which made 14 pictures last year with seven of them reaching the top 25 in terms of revenue at the US box office, is the first of the Hollywood majors to set up shop in this way in Europe.

From a base in London, Paramount will be looking for both new and established talent – everything from scripts to directors and actors.

"The intention is to produce a couple of films between now and the end of this year. Next year it could be more than a couple. If five incredible scripts come along we will do it," Mr Ganis said.

Ms Ileen Maisel has been appointed senior vice president in charge of European production and, rather like Indiana Jones, the hero of Paramount's most successful pictures, has been "sent on a quest" to find talent including "the new kid, the new writer."

The result will almost certainly not be high-budget blockbusters such as Indiana Jones and the Last Crusade, a Lucasfilm production of a Steven Spielberg film, which has already grossed more than $400m.

Sidney Ganis: to produce films that can play anywhere

"They're bound to be lower budget films," Mr Ganis conceded.

Paramount is planning to internationalise its production because of both the insatiable demand for quality films coming from several sectors, including video and pay-television channels, and the finite pool of talent in Hollywood.

Mr Ganis said: "We are the first of the majors to do this but I think it will become a trend if we are successful."

The aim is avoid anything that is either mid-Atlantic or too relentlessly European but, as with Shirley Valentine, to search for European pictures that touch a universal nerve.

Or as Mr Ganis put it: "Our intention is to produce films that will play anywhere, including the US."

Businessland expects net loss after restructuring

By Louise Kehoe in San Francisco

BUSINESSLAND, the largest US computer retailer, may report a net loss for the quarter ended December 31 as a result of restructuring and other charges.

The company will lay off about 300 of its 3,900 workers on Monday.

Mr David Norman, Businessland chairman and chief executive, said the company expected revenues in excess of $370m for the second quarter and would return an operating profit.

He refused to rule out the possibility of a net loss, however, and said the company would take a one-time charge of between $1m and $2m for severance payments and other costs associated with the layoffs.

Mr Norman said that the possibility of additional charges "remains open." The company will report its financial results in two weeks.

In the corresponding quarter last year, Businessland had sales of $301.3m and reported net profits of $9.5m or 32 cents a share.

The layoffs are primarily due to efficiencies achieved by new management information systems and recent acquisitions in the US. Mr Norman acknowledged, however, that increased pressure on profit margins due to slower growth in the US personal computer market and widespread discounting had contributed to the decision.

The company's profit margins fell from about 5 per cent to 2 per cent between March and September 1989, he said.

Last April Compaq Computer, the second largest US personal computer company, severed its ties with Businessland after a dispute between the companies.

At the time Businessland claimed it could quickly compensate for the 15 per cent of its business represented by Compaq by selling new products, including a computer introduced by Next Inc, started by Mr Steve Jobs, the former Apple Computer chairman.

Yesterday Mr Norman said the loss of Compaq had had "a much greater impact than we anticipated."

He said delays in bringing the Next computer to market had also limited sales.

Businessland, a big seller of IBM and Apple personal computers to businesses, will focus increasingly on high-performance systems and networked computer systems in the 1990s.

The company was gradually converting its 91 US shop-front outlets to "branch offices" and would consolidate operations in some parts of the country, Mr Norman said. Some stores would close.

Businessland will, however, continue to open new branches in the US and is actively seeking acquisition opportunities in Europe and elsewhere. The company has nine stores in Europe.

Computer Craft, the company's subsidiary, has 22 US stores.

Potential buyers reveal interest in Bond brewers

By Bruce Jacques in Sydney

MR ALAN BOND'S Australian brewing businesses, the subject of a court dispute after being put into receivership just before the new year, drew renewed interest from potential buyers yesterday while Bond Corporation Holdings, his quoted flagship company, hit back at Mr Jeff Reynolds, the 28-year-old Texan who wants to take control of the whole group.

● Mr Max Christmas, a Brisbane property entrepreneur, said he was seeking to buy Mr Bond's Queensland brewing operation, producer of Castlemaine XXXX lager.

● John Labatt, the Canadian brewer, confirmed it was considering making a bid for all of Bond's Australian brewing operations, which include Tooheys in New South Wales and Swan in Western Australia.

● Bond Corp said it had written to Mr Reynolds asking for confirmation of his financial standing, saying "his public statements are causing us considerable embarrassment."

Mr Reynolds, who is described as a resources entrepreneur, announced last Friday that he was in talks with Bond over a A$250m (US$196m) cash injection and a A$4bn debt refinancing. It emerged this week that the initial contact had come in mid-December.

However, Mr Peter Lucas, a Bond Corp director, said yesterday that the group needed to be "satisfied that Mr Reynolds and/or his companies have the financial capacity to undertake a transaction of the size and nature he proposes.

"In the absence of any such information having been made available so far, despite repeated requests, we are taking the view at this time that he does not have that capacity."

Meanwhile Mr Christmas, a leading independent estate agent, said he had guaranteed finance from an Australian banking syndicate for a takeover of the Castlemaine Perkins unit. He and Mr Kevin Driscoll, another Brisbane businessman, head a consortium which has approached Bond Brewing's receiver-managers with a purchase plan involving an eventual flotation of the assets.

Documents emerging from a court hearing in Melbourne, where Bond Corp is trying to have the receivership order overturned, show that the group's brewing interests have been rapidly losing market share in recent months – especially in Queensland – in spite of greatly increased advertising expenditure.

In Toronto Mr Edward Stewart, vice president of corporate affairs at John Labatt, said that, based on his company's "most preliminary" examination of the brewing operations and the Australian market, A$1.6bn to A$2bn would be "a reasonable range for any offer we might decide to make."

In the Victorian Supreme Court yesterday it also emerged that Lion Nathan sought financial assistance from National Australia Bank (NAB) for its proposed A$2.5bn takeover of Bond Brewing.

Lion Nathan had its plan to buy the beer assets scuttled by NAB's successful receivership petition against Bond Brewing late last year. The petition was lodged immediately after Bond announced plans to sell its breweries to Bell Resources, its own subsidiary.

FNMA's fourth-quarter earnings surge to $237m

By Anatole Kaletsky in New York

FEDERAL National Mortgage Association, the biggest government-guaranteed insurer of US residential mortgages and one of the highest-flying stocks on Wall Street last year, reported a 50 per cent jump in earnings for the latest quarter and 1989 as a whole.

The company also said its loss experience improved last year and, in spite of the widely publicised problems of the US housing market, it maintained an unchanged provision for loan losses in the fourth quarter.

FNMA's stock price advanced $⅝ to $36⅝ shortly after the profits announcement. While the share price remained well below the peak of $46¼ reached in September last year, it was more than double FNMA's value of $17 a year ago and four times the price of $8 at the beginning of 1988.

The association made net profits of $237m or 90 cents a share in the quarter, compared with $153m or 63 cents a year earlier. The full-year result was $807m or $3.10 a share, up 47 per cent on the $507m or $2.11 reported for 1988.

In the last year FNMA has benefited from massive forced sales of mortgages by weakly-capitalised savings and loan institutions.

FNMA's net interest income last year was $1.19bn, up from $837m in 1988, while guarantee fees increased to $408m from $328m. It issued $78.6bn of its own debt at an average cost of 8.8 per cent, compared with $64.3bn at an average cost of 7.8 per cent in 1988.

Fiat to increase investment in Brazil offshoot

By John Barham in Sao Paulo

FIAT is to triple investments in Brazil this year, with spending likely to rise to $300m.

The investment, which will be funded from retained profits, will be used to bring a new-high performance luxury model to the market by 1991. Fiat has not introduced a new model in Brazil since 1987.

The car which will resemble the new Fiat Tempra.

Fiat also plans to ship $2.3bn worth of cars in the next five years and a further $300,000 worth of Fiat Allis earthmoving equipment in the coming 10 years.

To qualify for a 50 per cent reduction in import duties on machinery and components, the group must generate a $1.2bn currency surplus.

Delta Air sees profit downturn

DELTA Air Lines of the US expects to report lower net and operating income for the second quarter. Last year the airline earned $85.2m or $1.73 per share in the second quarter, Reuter reports.

Delta blamed lower than expected passenger mile yield and a 43 per cent increase in aircraft fuel expenses.

But the airline added that it expected net income for the whole of 1989 to be a record for any calendar or fiscal year.

INTERNATIONAL COMPANIES AND FINANCE

Oscar Fanjul: gaining a toehold in Mexico

Repsol in three-way link with Pemex

By Tom Burns in Madrid

REPSOL, SPAIN'S state-controlled energy conglomerate, yesterday signed a wide-ranging agreement with Mexico's Pemex that gains it keynote share swaps, downstream supplies and a toehold in the Mexican market.

Under the terms of the deal the Spanish company, chaired by Mr Oscar Fanjul and partially privatised last year, will acquire the 34 per cent equity that the Mexican company owns in Petronor, a Spanish refining and distribution company based in Bilbao, while Pemex will acquire up to 5 per cent of Repsol.

Pemex will be supplying Repsol with between 100,000 and 150,000 barrels per day and both companies will participate in a joint venture in Mexico to distribute Repsol products.

The share swap gives Repsol an 88 per cent stake in Petronor, a company that has ambitious plans to open gas stations in northern Spain and in south-west France.

Repsol is currently strengthening its distribution facilities – the Petronor deal is part of an aggressive strategy to ward off European companies entering the hitherto highly protected Spanish market.

Pemex's supplies come as a boost to the Spanish company which has traditionally been vulnerable downstream while the joint venture agreement signals the first significant step by Repsol to enter the Latin American market.

Spanish TV boardroom coup for Berlusconi

By Peter Bruce in Madrid

A BOARDROOM coup directed by Mr Silvio Berlusconi, the Italian television magnate, has stripped Spain's biggest publisher of the presidency of one of the country's first three commercial TV channels and replaced him with a man who will never see the programmes.

After more than a week of open battle for control of Telecinco, which is due to begin broadcasting in March, a board meeting in Madrid yesterday deposed the president, Mr German Sanchez Ruiperez, who owns the big Anaya publishing group, and replaced him with Mr Miguel Duran, president of Once, the Spanish charity for the blind. Mr Duran is also blind.

Anaya, Once and Mr Berlusconi each have a 25 per cent stake in Telecinco, the legal maximum. Last week Anaya publicly accused a Berlusconi company in Spain of illegally soliciting advertisements for Telecinco without the board's permission.

Anaya officials claimed that Mr Berlusconi, who is also fighting for control over a TV channel in France, was trying to run Telecinco alone.

Mr Berlusconi and Once joined forces yesterday to oust Mr Sanchez but the victory may well have been only a phyrric one. The board voted 60 per cent to 40 per cent for Mr Duran after a group of smaller shareholders with a 10 per cent stake went against Anaya.

This group, Anaya claims, is being secretly financed by Once, implying that Once controls 35 per cent of the board, which would be illegal.

It was also being suggested yesterday that Once, which has begun to invest and speculate vigorously with its huge lottery profits recently, also has a stake in the Berlusconi company which is collecting Telecinco's advertising.

Mr Sanchez said last night that the board majority against him was "irregular" and associates warned that with his 25 per cent and another 15 per cent owned by a supporter, he would be able to make normal management difficult for the new board.

The new Telecinco board is due to meet again next Monday. Mr Valerio Lazarov, a Berlusconi appointee, was yesterday given full operational control of the channel and a Berlusconi spokesman said the board would try to continue with it current shareholders. "Of course," he said, "if there are any that don't want to collaborate then we will go with the majority. This is a soap opera."

Mondadori battle intensifies

By John Wyles

THE STRUGGLE for control of Mondadori, Italy's largest publishing group, drifted into still deeper legal waters yesterday with a court victory for the Berlusconi camp amid warnings of a possible intervention by the European Commission.

The main battlefront has centred on Amef, the financial holding company which owns 50.3 per cent of Mondadori. Mr Carlo De Benedetti's legal efforts to prevent the controlling group of Amef shareholders, now dominated by Mr Silvio Berlusconi and his Mondadori-Formenton family allies, from being able to take a position at Mondadori's assembly on January 25 were seriously set back when a Milan magistrate, in effect, made it possible for them to do so.

If yesterday's decision is upheld against a De Benedetti appeal, then the Berlusconi camp may yet be able to replace the Mondadori board installed by Mr De Benedetti before the Formenton family swung their crucial 25.7 per cent stake in Amef behind Mr Berlusconi.

Italy's TV king is paying the family L150bn ($119m) for breaking with Mr De Benedetti and wants to buy them out if the validity of their prior agreement to sell to Mr De Benedetti can be nullified.

For its part the European Commission is investigating the possibility that Mr Berlusconi's control of Mondadori, if eventually established, might be anti-competitive. It has opened a procedure under Article 85 of the Treaty of Rome requesting information from all the main shareholders.

Albert Fisher alters rights issue

By Andrew Bolger

ALBERT Fisher Group, the acquisitive UK fresh produce distributor and processed foods supplier which last month launched a £180m ($297.6m) rights issue and placing, has altered the terms of the deal after complaints by institutional shareholders.

The one-for-three rights issue at 110p is being underwritten by Corporate Partners, a $1.6bn US investment fund. When the deal was announced Albert Fisher said CP would put one director on the board immediately and would have a second if and when its stake rose above 15 per cent.

Institutional shareholders were unhappy that CP was picking up a large stake at below market price, when a stake premium could have been reasonably expected, and over the automatic entitlement being given to CP to put unnamed directors on the Albert Fisher board.

After a complaint, Albert Fisher has agreed that at Monday's EGM to approve the deal, CP will waive its right to appoint a director or directors and such an appointment will require another egm.

Far East contracts suit for Vuitton

By George Graham in Paris

LVMH, the leading French drinks and luxury goods conglomerate, yesterday filed suit asking for annulment of a series of contracts signed by Louis Vuitton, its luggage-making subsidiary, with Bluebell Asia, its distribution partner in the Far East.

The suit claims that the contracts, covering the management of Vuitton's retail outlets in the region, were "irregularly concluded" and give Bluebell Asia, wholly owned by Mr Michel Goemans and his family, "exorbitant advantages amounting to more than FFr1bn ($175.7m)."

Vuitton retorted yesterday that the contracts were "perfectly regular" and had proved their effectiveness by producing FFr500m of profits in the Far East last year on sales of over FFr1bn. The suit represented "a scandalous attempt at the systematic distortion of the facts," it said.

At issue is the structure of Vuitton's boutiques in Hong Kong and south-east Asia, an area where its sales have exploded over the last three years and which is one of the biggest contributors to the group's profits.

But behind the financial details of yesterday's suit lies the broader conflict between Mr Bernard Arnault, 40, the financier who took over the chairmanship of LVMH a year ago, and Mr Henry Racamier, 77, the patriarch of the Vuitton family, who chairs Louis Vuitton.

Mr Arnault has sought to remove Mr Racamier from the chairmanship but has been prevented, despite the fact that LVMH controls 98 per cent of its shares, by this law suit. He has now counter-attacked by questioning Mr Racamier's management of the luxury suitcase maker.

LVMH contests not only the delegation of Vuitton's management powers in the region to Bluebell, but also Bluebell's option to sell its 27 per cent stake in Vuitton Hong Kong to the French company for a price evaluated at 11 times a weighted average of the previous three years' net profits.

Axel Johnson signs co-operation deal with Spar Handels

By Robert Taylor in Stockholm

AXEL JOHNSON, the Swedish trading group, announced an agreement yesterday with Spar Handels of Hamburg, West Germany's fifth largest consumer goods conglomerate, in a move designed to strengthen its position in the European retail industry.

The two companies have decided to develop joint co-operation in three specific areas. Axel Johnson will acquire an initial 5 per cent of Spar Handels' shares with an option to acquire up to 10 per cent voting interest in the group by the end of 1990.

This would make the Swedish company one of Spar Handels' leading shareholders with representation on its board of directors.

It was also agreed that Saba Trading, a subsidiary of Axel Johnson, will take on responsibility for Spar's overseas import activities and the purchase of tropical and exotic fruits through FTK, its Dutch subsidiary, while Spar Handels will acquire a 50 per cent interest in FTK.

The two companies will develop close purchasing co-operation by Axel Johnson's subsidiary Dagab becoming a partner in Gedelfi, Spar's purchasing organisation. It is also planned to deepen contacts between the two companies in other areas like logistics and data.

This complex agreement underlines the growing diversity of Swedish business contacts with continental Europe. Mr Goran Ennerfelt, Axel Johnson's president and chief executive, said deals like yesterday's would be repeated in the future as Axel Johnson intends to remain active in this area.

He added that it provided the group with "opportunities for further growth on the continent of Europe."

COMPANY NEWS IN BRIEF

COMPAGNIE Generale d'Electricite (CGE) of France said its subsidiary Cie Europeenne d'Accumulateurs (CEAC) had agreed to acquire Accumulateurs Tudor, the Belgian lead-acid battery manufacturer, for an undisclosed amount, AP-DJ reports.

The takeover will make CEAC Europe's second-biggest producer of lead-acid batteries behind Varta of West Germany. It follows the French company's acquisition in 1989 of Chloride's industrial battery activities in Europe.

CEAC currently controls 10 per cent of the European market for automotive batteries and 12 per cent of the industrial market. Accumulateurs Tudor's 1989 revenue is estimated at BFr1.6bn ($45.3m).

■ **Thyssen Stahl**, the steel arm of Thyssen, a large West German steel and engineering group, said net profit rose 58.1 per cent in the year ended September 30, on higher volume sales, increased capacity use, better product prices and the beneficial effects of an internal streamlining, *AP-DJ* reports.

Fiscal 1989 group net rose to DM540.2m ($321.5m) from DM341.6m a year earlier. Group operating profit soared to DM988m from DM549m.

All units contributed to the sharply improved fiscal 1989 results, Thyssen Stahl said. As reported, group sales increased 17.3 per cent to DM10.837bn from DM9.235bn a year earlier.

Thyssen said it had good business and profits in the first quarter of its current year.

■ **Glaverbel**, the Belgian glassmaker majority owned by Japan's Asahi Glass, lifted consolidated net profit by 16 per cent in 1989 to an estimated BFr2.85bn, Reuter reports.

Turnover rose in 1989 to approximately BFr26bn, a gain of 9 per cent. Nearly 60 per cent of sales were in value-added processed glass products, it said.

Glaverbel, Europe's third largest glassmaker, said it recorded the improved profits despite increased competition in Europe. It also expected a good 1990 result, but gave no figures.

Gardini move fuels speculation at Enimont

By John Wyles in Rome

AN OMINOUS "showdown" atmosphere is gathering around a meeting today of the two main shareholders of Enimont, Italy's chemicals joint venture created last year by Mr Raul Gardini's Montedison and Eni, the state energy group.

Uncertainty about the purpose of the meeting has been created by Mr Gardini who requested it before Christmas but has not said why.

Many observers think it is connected with the failure of parliament to pass special legislation allowing Montedison relief on a L1,100bn ($10bn) tax bill on capital gains accruing from passing its base chemicals activities on to the joint venture.

A parliamentary committee is due to come back to the proposal next week after failing to muster a quorum last month. The issue has clearly divided Italian deputies, some of whom fear that Mr Gardini is bent on *taking majority control of Eni*mont by one means or another.

The 20 per cent of Enimont stock in other hands has been actively traded in Milan over the last eight weeks, suggesting to some suspicious minds that one or both of the main shareholders may have been encouraging purchases by friendly parties.

The two companies have been called to Consob, the stock exchange regulatory authority, to discuss the trading after today's meeting.

Earlier speculation that Mr Gardini may be organising an exit from Enimont has now given way to suggestions that he may seek to control it by fusing Montedison's US polypropylene producer, Himont, into Enimont.

The founding shareholders' agreement left open such a possibility after a three-year period, but there may be no fundamental legal obstacle to him advancing the date.

If he were to succeed, Eni has the choice of becoming a minority shareholder, buying part of Mr Gardini's stake or refusing, in which case it would have to buy out Mr Gardini. *At current prices this would cost about L2,800bn.*

German knowhow in international capital markets and corporate finance

Bond Issues

HER MAJESTY THE QUEEN IN RIGHT OF NEW ZEALAND — A$ 50,000,000 17% Bearer Notes of 1989/1990	N.V. Koninklijke Nederlandse Vliegtuigenfabriek Fokker, Amsterdam, The Netherlands — DM 150,000,000 7¼% Deutsche Mark Bearer Bonds of 1989/1996
Primary Industry Bank of Australia Limited, Sydney, Australia — DM 75,000,000 6¾% Deutsche Mark Bearer Bonds of 1989/1992	THE REPUBLIC OF TURKEY (Türkiye Cumhuriyeti) — DM 400,000,000 7¼% Deutsche Mark Bearer Bonds of 1989/1996
Fuji Bank (Luxembourg) S.A., Luxembourg, Grand Duchy of Luxembourg — DM 100,000,000 6¾% Deutsche Mark Bearer Bonds of 1989/1996	PRIMA MEAT PACKERS, LTD. (Prima Ham Kabushiki Kaisha) Tokyo, Japan — DM 150,000,000 1¾% Deutsche Mark Bearer Bonds of 1989/1994 with Warrants attached
TOYO TIRE & RUBBER CO., LTD. (Toyo Gomu Kogyo Kabushiki Kaisha) Osaka, Japan — DM 100,000,000 2% Deutsche Mark Bearer Bonds of 1989/1994 with Warrants attached	Australian Industry Development Corporation — A$ 75,000,000 13¼% Notes of 1989/1994
Royal Insurance Finance N.V., Amsterdam, The Netherlands — DM 250,000,000 5¾% Deutsche Mark Bearer Bonds of 1989/1994	The Bank for Foreign Economic Affairs of the USSR, Moscow, USSR — DM 500,000,000 7¼% Deutsche Mark Bearer Bonds of 1989/1996
The Council of Europe Resettlement Fund, Strasbourg/Paris — A$ 50,000,000 17% Bearer Notes of 1989/1990	COMMERZBANK OVERSEAS FINANCE N.V. — ECU 75,000,000 8¾% Bonds of 1989/1994
KAUFHOF FINANCE B.V., Amsterdam, The Netherlands — DM 100,000,000 8¾% Deutsche Mark Bearer Bonds of 1989/1992	ONO SOKKI CO., LTD., Tokyo, Japan — DM 70,000,000 1¾% Deutsche Mark Bearer Bonds of 1989/1994 with Warrants attached
IRELAND — DM 500,000,000 7¼% Deutsche Mark Bearer Bonds of 1989/1999	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, Washington, D.C. — DM 150,000,000 9% Deutsche Mark Bearer Bonds of 1989/1994

Going Public

GEA
DM 775,000,000 Preferred and Common Shares
Offer for Sale and Listing Prospectus

SCHWEIZER ELECTRONIC AG
Offer for Sale and Listing Prospectus
DM 25,000,000 Common Shares

HAKO
DM 75,000,000 Common Shares
Listing Prospectus

Stock Listings

GRAND METROPOLITAN PLC
N.V. Koninklijke Nederlandse Vliegtuigenfabriek Fokker
EMESS plc
Nedlloyd
Rémy Cointreau
HEWLETT PACKARD

Syndicated Loans

Brascan Limited, Toronto, Canada
US-$ 100,000,000 Extendible Debentures with a Subordination Option
Arranged and provided by: COMMERZBANK

Olympia & York
Olympia & York Resources Credit Corp.
U.S.$ 1,250,000,000 European Tranche of a Total U.S.$ 2,500,000,000 Loan Facility
Crédit Lyonnais

Issue of Currency Warrants

COMMERZBANK
Verkaufsangebot
1,000,000 £-Sterling-Verkaufs-optionsscheine (Put)

COMMERZBANK
Verkaufsangebot
1,000,000 US-$-Kauf-Optionsscheine (Call)

Mergers and Acquisitions

KLÖCKNER-WERKE AKTIENGESELLSCHAFT
Klöckner-Mercator Maschinenbau GmbH
KAUTEX-WERKE REINOLD HAGEN AKTIENGESELLSCHAFT
Hagen Beteiligungsgesellschaft mbH
SGM Kunststoffbeteiligungsgesellschaft Mannheim mbH
COMMERZBANK Mergers & Acquisitions

AM International
H. Wohlenberg KG – GmbH & Co.
COMMERZBANK Mergers & Acquisitions

Issue of Preference Capital

PILKINGTON
DM 320,000,000
PILKINGTON Deutschland GmbH
FLACHGLAS AG
and
DAHLBUSCH VERWALTUNGS-AG
COMMERZBANK

Issue of Covered Warrants

COMMERZBANK
Verkaufsangebot
300 000 Optionsscheine
Volkswagen Aktiengesellschaft, Wolfsburg

COMMERZBANK
Verkaufsangebot
300 000 Optionsscheine
Time Warner, Inc. New York, N. Y., USA

COMMERZBANK
Verkaufsangebot
300 000 Optionsscheine
Bayerische Motoren Werke Aktiengesellschaft, München

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INTERNATIONAL COMPANIES AND FINANCE

Filtering through a global vision

Andrew Baxter examines the future for Pall with its chief executive

Wall Street investment bankers who like messing about in boats can often be found in the small town of Glen Cove, one of Long Island's many retreats for the hard-pressed, upwardly mobile Manhattan executive.

But even those who live there may be unaware that Glen Cove is also home for Pall, founded by Dr David Pall in 1946 to market his invention of a porous, stainless steel filter. Since then, Pall has felt little need to summon Wall Street's mergers and acquisitions tacticians to its premises – apart from a tiny $6m deal in 1988, its last takeover was in 1962.

In spite of this, Pall has grown steadily to become the world's leading manufacturer of filters and fluid clarification equipment, with annual sales pushing $500m and a market capitalisation of $1.3bn. Pall's evolutionary, gradualist approach makes it something of a rarity among publicly quoted US companies – one long-term European investor says there is "a Japanese technique to the way they do things."

This is one reason why Pall seldom receives much attention in the world's financial press. That, and the fact that, as the European fund manager puts it, Pall is "at the high-tech end of what is basically a boring business."

In the last few weeks, however, Pall has taken a decision that, at least at first glance, would seem to merit some attention. It has joined the still-tiny handful of US companies to appoint a Briton as its chief executive.

Typically, though, the move is unlikely to cause shock waves among Pall's 6,400 employees and shareholders – 22 per cent of the shares are held outside the US. The new chief executive, Mr Maurice Hardy, 59, has been with Pall since 1962 when his small UK engineering company was taken over by the US concern.

Since then, Mr Hardy's colleagues have had plenty of time to become used to his distinctive Bristolian burr. "I've been around the US for so long that I'm kind of an accepted part of the framework," he said.

In an interview at Pall's European headquarters in Portsmouth, Mr Hardy, a mechanical engineer by training, makes clear that the addition of the chief executive's role – he was named president in 1985 – had been "the plan for the past 12 years." As part of the process Dr Pall himself moved from chairman to become founder-chairman, to be replaced by Mr Abraham Krasnoff, the former chief executive. "Anything we do is very gradual," notes Mr Hardy.

Much the same can be said of the company's industrial strategy. After failing to interest existing filter companies in Dr Pall's invention, Pall spent the first eight years of its life marketing its porous metal filters, before spotting an opening in 1954 in aerospace. Helping to solve the problem of contamination of hydraulic systems in commercial and military aircraft has given Pall market leadership in aerospace fluid clarification.

The acquisition of Mr Hardy's company added just $300,000 to Pall's $7m annual sales, but gave the company a bridgehead into Europe. It also offered an entrée into broader industrial markets, just as growth in aerospace was beginning to slacken.

Mr Hardy's task, as part of the triumvirate which has virtually run the company since then, was to develop Pall's international sales. Even before the UK joined the European Community, Mr Hardy had viewed the UK as the most cost-efficient manufacturing base for Europe and the company is now building its seventh installation in the UK. However, mindful of the UK's past labour problems, it is careful to limit the size of each plant to 450 workers.

More than 25 years after joining the company, Mr Hardy has succeeded in changing the geographic pattern of sales. Collectively, sales in the US and Europe now make up 90 per cent of the total, in roughly equal proportions.

The product mix has changed, too, and from the mid-1970s the company began to benefit from heavy technological and marketing investment aimed at making it the world leader in filtration across a broad range of markets from open heart surgery to nuclear energy.

This has enabled Pall to keep competitors tied to their home markets, says Mr Hardy, while its consistent refusal to diversify out of filters has helped it avoid the painful restructurings undergone by many US concerns in the 1980s. Even so, a couple of small cyclical businesses have recently been sold.

In the 1990s Mr Hardy faces the challenge of turning an increasingly international company into one which has truly adapted to global markets. That, he indicates, may imply a change in investment strategy.

In recent years, fearful of growing protectionism, Pall has virtually duplicated manufacturing capability in the US and Europe. Avoiding this, says Mr Hardy, might have given Pall a better return on assets but the policy, which involves offering some scientific support in all the major countries, has enabled Pall to stay close to its big customers.

Now Mr Hardy wants to make better use of Pall's capital, concentrating investment on the proprietary side of the business and forging alliances which fall short of acquisition. For example, it recently lined up a "captive" South Korean supplier of metal pressure vessels to hold its air filters, which will be assembled in Japan.

On the product side, the big opportunity is health care, where the most promising products are new blood filters. In particular, Pall claims a significant lead over its competitors with its latest filters to remove potentially harmful leucocytes (white blood cells) from packed red cells and platelet concentrates. Mr Hardy sees a "tremendous number" of health care products coming from its general membrane know-how.

In financial terms, Mr Hardy's next target is annual sales of $1bn, which he says ought to be achievable by 1994 – he sees the potential size of the world market reaching 10 times Pall's present size. But Mr Hardy sees no need to change the company's policy on acquisitions. "What's the point in taking on somebody else's problems?" he said.

Not that Pall would be constrained financially from making an acquisition if it needed to. Years of profit growth from high-margin products – "we are not known for our low prices" – have enabled the company to finance its expansion internally. Long-term debt is about 10 per cent of total capital.

With his manufacturing background, Mr Hardy tries to keep up with developments in filter technologies, but his main priority is the forward direction of the company in pursuit of his global vision. It is a job which Mr Hardy will tackle in his, and Pall's, characteristically modest style: "When you do the sort of job that I do, you don't have ambitions. You just get on with it," he says.

Maurice Hardy: investment focus on the proprietary side

PALL'S FIVE-YEAR RECORD ($m)*

	Sales	Net profit
1985	273.9	34.2
1986	332.0	40.9
1987	365.1	48.1
1988	434.0	58.7
1989	497.0	57.7

* Year ends July 31

Meiji buys stake in Hong Kong bank

By Michael Murray in Hong Kong

MEIJI Mutual Life Insurance of Japan has acquired a 1 per cent stake in Hongkong and Shanghai Banking Corporation, buying shares on the open market for Y6bn ($41.6m).

Meiji Mutual, which is Japan's fourth largest life assurer, said the purchase represented a long-term investment and it intended to seek ways to share information with Hongkong Bank and the possible sending of trainees to the colony.

A Hongkong Bank official said it welcomed long-term investors and discussions would be held between the two parties on possible areas of co-operation.

Meiji Mutual is the second Japanese insurance company to acquire a 1 per cent stake in the bank.

Last April Dai-ichi Mutual Life Insurance, which ranks second in the industry, bought a similar holding, expressing a wish to increase its information-gathering activities in the region.

Under the Hong Kong Bank Ordinance no investor is allowed to own more than that amount without the approval of the board.

The ordinance was amended at an extraordinary meeting last September, modernising its rules and bringing the bank for the first time under the Hong Kong Companies Ordinance. However, the 1 per cent ceiling was retained.

Hongkong Bank's share price has enjoyed a good run over the past three months, although yesterday it closed 5 cents down at HK$7.35.

It stood at only HK$6.30 in mid-October, when news that the bank was studying a proposal to disclose the size of its secret inner reserves sparked investor interest and pushed the share price upwards.

Some sort of merger with the Midland Bank, of Britain, is also widely anticipated during 1990. At the moment, Hongkong Bank owns 14.9 per cent of Midland which it acquired in 1987.

Highlands Gold highlight

SHARES OF Highlands Gold, a subsidiary of MIM Holdings, closed at 95 cents, a 20-cent premium on its issue price, on the company's opening day on the Australian Stock Exchange, Reuter reports from Sydney.

The shares touched a 90-cent low briefly after opening at 94 but most of the 14.4m units traded were crossed at 94 cents.

Analysts said Highlands Gold shares had been discounted slightly because the company's Porgera gold mine is in Papua New Guinea, which this week devalued its currency partly as a result of the closure of Bougainville Copper's mine there.

Highlands Gold is 65 per cent owned by MIM and holds its one-third share of Porgera, which is expected to begin production in the second half of 1990.

Record profits from Philippine National Bank

PHILIPPINE NATIONAL Bank (PNB) earned a record net profit of 2.08bn pesos ($US97.4m) in 1989, up 13 per cent, Reuter reports from Manila. Gross earnings *amounted to 6.77bn pesos of* which 4.5bn pesos represented interest income on loans. This compares with the 1988 gross earnings of almost 5bn pesos, of which interest income was 3.13bn pesos.

Total resources reached 56.3bn pesos compared with 38.8bn pesos, mainly because of increases in the bank's loan portfolio and investments. Bank officials said main achievements in 1989 were PNB's partial privatisation in May and the management of the First Philippine Fund which was launched in New York last November.

INTERNATIONAL CAPITAL MARKETS

Bank eases way for short corporate bond issues

By Stephen Fidler, Euromarkets Correspondent

THE BANK of England yesterday announced measures to ease the way for British companies to issue short-term bonds in a step which approaches the final stage of liberalisation of the UK corporate bond market.

The moves, presaged in last year's Budget, will ease the way from February 1 for listed UK companies to issue bonds with maturities of between one and five years.

They also pave the way for local authorities in England and Wales to issue commercial paper and medium term notes, denominated in sterling, from April 1.

By then, the Department of the Environment plans to have published a list of eligible authorities.

The changes announced yesterday will extend the exemption under the 1987 Banking Act, which have allowed companies to issue commercial paper with maturities of up to one year to cover paper of maturities of between one to five years.

This will allow companies to issue continuously-offered medium term notes, without a prospectus.

The current regime covering one to five-year bond issues, which has been in place since 1985, required a prospectus and proved so complicated that only a couple of UK companies issued under it.

They will also extend the Banking Act exemption to allow eligible companies to issue paper in maturities of up to five years in currencies other in sterling.

This should help to simplify the current rules under which UK companies issue foreign currency bonds and commercial paper.

The Bank emphasises that this is not a back-door attempt to supervise the Eurocommercial paper and medium-term note market.

"The intention is that this should continue undisturbed," the Bank said.

Issues carrying one to five year maturities will be referred to as medium-term notes rather than commercial paper, to follow the terminology used in other markets.

It will also, if investors demand it, allow a greater degree of investor protection to be built into the documentation, such as covenants and default clauses, which would not be customary in the shorter term market.

It is also justified by the differing UK tax treatment for the various maturities. For paper below one year in maturity, interest can be paid gross; for that of more than one year, it must be paid net of withholding tax.

This tax rule seems likely to ensure that the medium-term note market in sterling will essentially be an offshore rather than domestic market, according to practitioners.

Practitioners said that, given the inverted yield curve in sterling, issues in those maturities could be of interest to both investors and issuers. However, no rapid build-up of the market is expected.

Given the uncertainty surrounding local authority financings following UK court rulings on their swap dealings, they said this part of the market was unlikely to grow quickly.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
D-MARKS						
EIB(a)◆	500	6	101⅛	2000	1¾/1⅛	Deutsche Bank
Europaische Hypothekenbk(b)◆	100	7¾	100¼	1995	1¾	Frankfurter Hypothekenbk
US DOLLARS						
Fuji Int. Finance(c)◆	100	9.10	102	2000	2/1¾	Fuji Int. Finance
Electricite de France(d)◆	50	9½	104.30	1999	35/20bp	J.P. Morgan Secs.
CANADIAN DOLLARS						
Fed. Business Dev. Bank(a)◆	125	11½	101⅞	1992	1⅛/⅝	CSFB
SWISS FRANCS						
Shiga Bank(e)★★§	200	¾	100	1994	1½	Credit Suisse
Suedwestdeutsche Land'bk(a)◆	65	7¼	100⅝	1995	n/a	UBS
Hibiya Engineering(f)★★§	50	Zero	100	1995	1⅝	Daiwa (Switzerland)
Mitani Sekisan Co.(g)★★§	40	Zero	100	1994	1½	Yamaichi Bank (Switz)
Tomiya Apparel Co.(h)★★§	35	Zero	100	1994	1½	Banca del Gottardo
FRENCH FRANCS						
Cap Gemini Sogeti(i)§◆	450	5½	(i)	2000	2½/1½	Lazard Freres

§Convertible. ◆Final terms. a) Non-callable. b) Non-callable tap issue. c) Call at par March 1995. d) Reopening of existing $550m bond issue. e) Put option 31/3/92 at 106½ to yield 3.168%. f) Put option 31/3/92 at 107¼ to yield 3.287%. g) Put option 31/3/92 at 107¼ to yield 3.278%. h) Put option 30/6/92 at 108½ to yield 3.278%. i) Issue price FFr800. Put option Feb.1995 to yield 9.48%. Call at par between Feb.1993 and Feb.1995.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on January 11

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alberta 8⅝ 96	750	99½	99⅞	0	0	8.67
Alberta 9¾ 95	600	103¼	103⅝	+0⅛	0	8.60
Austria 9½ 93	140	†102¾	103¼	+0⅛	+0⅛	8.49
B.F.C.E. 8⅝ 94	175	99⅜	99⅝	0	0	8.52
B.F.C.E. 9¼ 95	150	102½	103⅛	0	0	8.62
Brit. Tel. Fin. 9⅝ 98	250	103⅛	103⅝	0	+0⅛	8.78
Canada 9 96	1000	102¾	103⅛	0	+0⅛	8.35
C.C.C.E 9¼ 95	300	102⅜	103	0	+0⅛	8.55
C.N.C.A 9⅜ 93	150	†101⅝	102	0	0	8.75
Credit National 8⅝ 93	200	†99⅜	99⅝	0	+0⅛	8.45
Credit National 7⅞ 92	100	97⅜	97⅞	+0⅛	+0⅛	8.53
Credit National 9½ 92	160	†102⅛	102⅜	0	0	8.51
Dai-Ichi Kan 9⅝ 92	150	101⅞	102⅜	0	0	8.67
Denmark 8⅛ 94	150	†98⅛	98⅝	0	[illegible]	[illegible]
E.E.C. 7 91	100	97¼	97⅜	0	+0⅛	8.47
E.E.C. 10 93	140	†103⅝	104	0	0	8.59
E.I.B. 8½ 99	150	98⅛	98⅝	-0⅛	-0⅛	8.69
Eurofima 10⅛ 93	100	†104¼	104⅝	0	0	8.48
Elec. De France 9 98	200	101⅞	102⅛	+0⅛	0	8.64
Elec. De France 9⅝ 99	200	†104⅛	104⅝	-0⅛	-0⅛	8.82
Finland 9 96	250	†101½	102	+0⅛	+0⅛	[illegible]
Fin. Exp. Cd. 8⅝ 92	200	99⅝	100⅛	0	+0⅛	8.54
Fin. Exp. Cd. 9¼ 95	200	†102⅞	103⅛	+0⅛	+0⅛	[illegible]
Ford Motor Credit 8 91	250	†98⅝	99⅛	0	-0⅛	8.87
Gen.Elec.Cap.Corp. 9 93	300	†101⅝	102⅛	+0⅛	-0⅛	8.49
Gen.Elec.Cap.Crp.10 1/2 [illegible]	300	†101⅞	102⅛	+0⅛	-0⅛	8.59
G.M.A.C. 8⅛ 94	300	†98⅝	99⅛	+0⅛	0	[illegible]
G.M.A.C. 9 96	300	99⅞	100⅜	+0⅛	0	8.95
Gen.Mtrs.Corp. 9⅛ 92	200	101⅛	101⅜	0	-0⅛	8.51
IBM Credit Corp. 8⅝ 92	400	100⅛	100⅜	+0⅛	+0⅛	8.48
IBM Credit Corp. 8⅞ 93	250	100⅛	100⅜	0	0	8.60
IBM Credit Corp. 9 92	250	101	101½	0	0	8.39
IBM Credit Corp. 9⅛ 92	250	101⅛	102⅛	+0⅛	+0⅛	8.47
Italy 8⅛ 94	1500	99⅝	100	+0⅛	+0⅛	8.52
Italy 9⅜ 95	1000	103⅜	104⅛	0	0	8.62
Italy 9⅝ 99	2000	104⅞	105⅛	-0⅛	-0⅛	8.80
Ind.C. W/W 4⅝ 94	[illegible]	114⅞	116⅛	+0⅛	-0⅛	1.04
Japan Dev. Bank 10 95	[illegible]	106	106⅛	+0⅛	+0⅛	8.68
KFW Intl. Fin. 9 94	300	†101⅛	101⅛	0	0	8.58
L.T.C.B. of Japan 9⅛ 92	200	101⅛	101⅛	0	+0⅛	8.71
Nippon Tel.&Tel. 9⅝ 95	200	103⅛	103⅝	+0⅛	-0⅛	8.78
Norway 8⅛ 93	500	100⅝	101⅛	0	0	8.40
Portugal 8⅛ 91	[illegible]	†98⅞	99⅜	0	0	9.00
Sumitomo Corp. W/W 4 93	1500	†123	124½	+1	-0⅛	-2.49
Sweden 8¾ 96	200	100⅝	101⅛	0	0	8.55
Toyota 9⅜ 93	200	101⅛	101⅛	0	0	8.62
Toyota Mtr.Corp. W/W 4 93	1500	†104½	106	+0⅛	-0⅛	2.37
Victorian Rep 11⅛ 92	150	†105	105½	0	0	8.94
World Bank 8⅜ 99	1500	99⅞	100⅛	0	-0⅛	8.49
World Bank 9 97	300	101⅞	102⅛	0	-0⅛	8.64
World Bank 9 93	300	†101½	102	+0⅛	+0⅛	8.37
World Bank 9¾ 95	300	103⅛	103⅝	0	-0⅛	8.70
World Bank 9⅝ 99	300	105⅜	105⅝	-0⅛	-0⅛	8.72
World Bank 9¾ 96	300	†105	105⅛	0	0	8.64

Average price change... On day +0⅛ on week -0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. BK. 6 94	200	91	91½	0	-0⅛	8.22
Austria 6¾ 99	750	†92	92¼	-0⅛	0	7.98
Bk.Frgn.Econ.USSR 7 96	750	*†91½	92½	0	-0⅛	8.71
Bank of Tokyo 5¾ 93	100	93¼	93¾	0	0	8.18
Commerzbank o/s. 5¾ 93	300	93⅝	94⅛	-0⅛	-0⅛	7.75
Credit Foncier 6¾ 99	500	91⅞	92⅛	0	-0⅛	9.06
E.I.B. 6¼ 99	600	88½	88⅞	-0⅛	-0⅛	8.07
E.I.B. 6½ 99	300	†94⅝	94⅞	0	0	7.30
E.I.B. 6⅝ 96	600	94⅞	95¼	0	+0⅛	7.65
E.I.B. 6⅞ 95	300	95¾	96¼	-1	-1½	7.74
Euro.Coal & Steel 5⅞ 97	175	†88⅝	89⅛	0	-0⅞	7.99
Eurofima 6¼ 96	100	92½	93	+0⅛	-0⅛	7.71
Elec De France 5¾ 97	300	89½	90	0	-0⅛	7.60
Hydro-Quebec 6¾ 99	300	†91⅞	92⅛	0	+0⅛	7.98
Japan Dev. Bk. 5⅛ 95	300	†88⅛	88⅝	-0⅛	-1⅛	8.12
Japan Finance 5⅞ 97	100	87⅛	87⅞	-0⅛	-0⅛	8.13
I.A.D.B. 7⅛ 99	300	94⅝	95	-0⅛	-0⅛	8.05
Ireland 6½ 97	300	91	91½	-0⅛	0	8.13
Ireland 7⅛ 99	500	94	94½	-0⅛	-0⅛	8.13
Malaysia 6⅛ 94	150	94⅞	95⅛	+0½	+1⅛	7.59
Nat. West BK. PLC 6 98	300	†87⅝	88⅝	-0⅛	+0⅛	8.05
N.H.L. Finance 6⅛ 95	200	†89	89½	+0⅛	0	8.67
Nippon Telg.&Tel. 6 95	400	†92⅞	93⅛	+0⅛	-0⅛	6.57
Oesterr. Kontbk. 5 98	300	91⅞	92⅛	0	+0⅛	8.00
Portugal 5¾ 92	150	94⅛	95⅛	-0⅛	0	7.96
Portugal 6⅝ 95	150	93½	94	-0⅛	-0⅛	8.05
Privatbanken 5¾ 93	150	91⅞	92⅛	-0⅛	+0⅛	8.19
Royal Insurance 5½ 92	300	94	94½	+0⅛	-0⅛	8.39
Turkey 6½ 95	500	†90⅝	91⅛	+0⅛	+0⅛	8.70
Union Bk.Finland 5⅛ 94	200	†91⅛	91⅝	+0⅛	+0⅞	8.10
World Bank 6 98	500	†87⅛	87⅝	0	-0⅛	8.03
World BK. 6¾ 97	600	91	91⅜	-0⅛	-0⅛	8.71
World Bank 6¾ 99	600	91⅞	92⅛	-0⅛	+0⅛	7.97

Average price change... On day -0⅛ on week -0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev.Bk. 5 96	150	†86	87	+0½	+1⅛	7.69
Asfinag 5 03	100	†82	82½	+0⅛	0	7.07
B.F.C.E. 4⅞ 98	200	†84	84⅛	+0⅛	-1⅛	6.99
B.M.W.Fin.Neth. 5 13	150	†79	81	-2	-2⅛	6.72
Britannia B/S. 4⅞ 94	100	†84	85	-1	-2⅛	8.61
CIR. Inc. W/W 3 93	125	†85	85⅛	-0⅛	-2⅛	8.00
Credit Lyonnais 4¾ 00	100	†82	82⅛	-0⅛	-0⅛	7.26
E.I.B 4⅞ 98	150	†83	84	-0⅛	-1⅛	7.31
Fin. Exp. Cd. 8⅛ 92	75	†98⅛	100	-0⅛	-1⅛	8.59
Fletcher Chall. 4⅛ 98	150	†76	78	0	-0⅛	8.93
I.A.D.B. 6 2004	200	†92⅛	93	0	-1½	6.78
Kobe City 4⅞ 98	150	†83½	84½	+0⅛	+0⅛	7.20
Leeds Perm. B/S. 4⅞ 93	200	†87½	88	0	-1	8.58
Malaysia 5⅛ 98	100	†79	80½	+0⅛	0	8.71
Maxwell Comm.Crp. 5 95	150	†82⅞	83	0	-0⅛	9.13
Nat. Bk. Hungary 5½ 94	75	†88	90	0	+0½	8.30
Nationwide Ang. B/S. 4 93	200	†89	91	0	+0⅛	7.40
Prov. Newfoundland 5 83	150	†81½	82¼	+0⅛	+0⅛	7.09
Thailand 4⅞ 95	200	†82½	83	+0⅛	+1⅛	8.69
World Bank 5 03	150	†84	84½	+0⅛	-0⅛	6.81

Average price change... On day -0⅛ on week -0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Canada 6⅛ 92	80	99¼	99½	0	-0⅛	6.70
Canada 5⅛ 93	80	97⅛	97⅜	+0⅛	-0⅛	6.51
Eurofima 5 1995	20	93¼	93½	0	-1⅛	6.35
E.I.B. 4⅞ 93	30	95¼	95½	+0⅛	-0⅛	6.54
Ireland 5⅛ 93	30	94⅛	94⅜	0	-1⅛	7.04
Norway 5⅛ 95	50	94⅜	94⅝	0	-1⅛	6.39
Sweden 4⅝ 93	50	94⅛	94⅜	+0⅛	-0⅛	6.50
World Bank 5⅛ 98	10	91⅛	92⅛	—	—	6.41
World Bank 7 94	20	101½	102	+0⅛	-0⅛	6.51

Average price change... On day +0 on week -0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey Nat. 10⅛ 94 C$	150	96⅛	97	+0⅛	-0⅛	11.15
Abbey Nat. 11⅛ 93 £	100	95⅛	95⅞	0	-1	13.44
Aegon 7⅛ 92 FL	100	99¼	99⅝	0	-1⅛	7.94
Alg. Bk. Ned. 5⅛ 93 FL	200	93	93⅛	0	+0⅛	8.24
Austria 7⅛ 94 ECU	100	†92⅛	92⅝	0	-0⅛	9.78
Barclays Aus.13½ 91 A$	100	97⅞	98⅛	-0⅛	-1⅛	14.84
Belgium 8⅛ 94 Ecu	150	93⅛	93⅝	-0⅛	-0⅛	10.15
Bell Canada 10⅞ 04 C$	200	101	101½	+0⅛	-0⅛	10.71
BP Capital 9¼ 93 £	100	91⅛	91⅝	-0⅛	-0⅛	13.13
British Airways 10 98 £	100	87⅞	88⅛	-0⅛	-1⅛	12.38
Brit. Telecom 9¾ 93 £	150	91⅛	91⅝	+0⅛	-0⅛	12.91
Comm. Bk.Aust. 12⅞ 93A$	100	†94	94½	+0⅛	0	14.83
Comm.Bk.Aus.13⅛ 94 NZ$	60	103⅛	104⅛	0	-0⅛	12.57
Credit Foncier 9 96 Ecu	100	95⅛	96⅛	-0⅛	-1⅛	9.84
Cr.Local France 9¼ 92Ecu	100	98⅛	98⅝	0	-0⅛	9.99
Deut. Bk.Aus. 13⅞ 93 A$	125	99¼	99⅝	+0⅛	+0⅛	13.61
Deutsche Bk.Fin. 15 94 A$	100	103⅛	104	0	-0⅛	13.76
Elec. De France 9⅞ 99C$	150	94⅛	95	+0⅛	-0⅛	10.65
E.I.B. 7 96 LFr	100	*†94⅛	95⅛	0	0	8.07
E.I.B. 7⅛ 99 FL	150	92⅛	92⅝	0	-1⅛	8.27
E.I.B. 9 99 Ecu	150	96⅛	96⅝	-0⅛	-1	9.55
Eurofima 7⅛ 94 Ecu	100	92⅛	92⅞	-0⅛	-0⅛	9.92
Export Dv.Crp.8⅛ 92Ecu	100	96⅞	97⅛	0	-0⅛	10.17
Fed.Bus.Dv.Bk. 9 94 Ecu	100	96⅛	96⅝	0	-1⅞	9.98
Fed.Bus.Dv.Bk.9⅛ 92 C$	75	†97	97½	0	+0⅛	11.06
Ferrv. Stato 7⅛ 93 Ecu	100	92⅛	93	0	-0⅛	10.40
Ford Cr.Can.10⅛ 93 C$	100	†98⅛	99⅛	0	+0⅛	11.13
Ford Cred.Can.10⅞ 96C$	125	98⅞	99⅝	+0⅛	-0⅛	11.06
Ford Cred.Fund.10⅛ 93£	60	95⅞	94⅛	+0⅛	-0⅛	12.75
G.M.A.C.Canada 11 3/4 94C$	100	101½	102⅛	0	-0⅛	11.17
Heineken 7⅞ 94 FL	150	99⅛	99⅝	0	-0⅛	7.82
Hydro-Quebec 11 99 C$	400	101⅛	101⅝	0	-0⅛	10.79
Lloyds Bank 10⅛ 98 £	150	89	89½	-0⅛	-0⅞	12.40
Lloyds Bank 11⅛ 98 £	100	†92⅛	92⅞	-0⅛	-0⅛	12.80
Montreal Tst.10⅛ 93 C$	100	†97⅞	98⅛	0	+0⅛	11.38
Nat. Aus. Bk. 14⅛ 94A$	100	100⅛	100⅝	+0⅛	+0⅞	14.55
New Zealand 9½ 93 £	100	90⅝	91⅛	0	-0⅛	13.03
O.E.K.B. 10⅛ 99 C$	150	97½	97⅞	+0⅛	-0⅞	10.68
Royal Bk.Scot.10⅛ 98 £	125	91	91⅜	-0⅛	-1	12.44
Saskatchewan 10⅛ 93 C$	200	97⅛	97⅞	-0⅛	-0⅛	11.02
State Bk.NSW. 13⅞ 93A$	100	98⅛	98⅝	+0⅛	+0⅛	14.37
Sweden 7½ 93 Ecu	250	92⅝	93⅛	-0⅛	-0⅛	9.80
Sweden 15 94 A$	100	102⅞	103⅛	+0⅛	-0⅛	14.00
Toyota Mtr.Cr.10⅞ 94C$	150	97⅞	98⅛	0	-0⅛	10.89
Toyota Mtr.Cr.11⅛ 92C$	150	100⅛	100⅝	+0⅛	0	11.11
World Bank 7⅛ 99 FL	300	92⅛	92⅝	0	-1⅞	8.30
World Bank 10⅞ 94 £	200	94⅞	95⅛	-0⅛	-0⅛	12.28
World Bank 13⅞ 92 A$	100	102½	103½	+0⅛	+0⅛	11.84
World Bank 14⅛ 94 A$	75	102⅛	102⅝	+0⅛	+0⅛	13.46
Zentrspk. 13⅛ 93 A$	75	†97⅞	98⅛	+0⅛	+0⅛	13.96

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn
Alliance & Leic.Bld 94 £	.08	99.88	99.93	24/01	15.21
Bank of Greece 99 US	0⅛	99.51	99.61	8/03	9⅛
Belgium 91 US	0	100.07	100.17	21/02	8.81
Chelt. & Gloucester 94 £	.063	99.84	99.89	28/02	15.31
Credit Foncier 98 US	.063	99.90	100.00	20/04	8.31
Dresdner Finance 99 DM	.031	100.09	100.20	28/01	8.16
EEC 3 92 DM	0	100.20	100.30	22/02	6⅛
Halifax BS 94 £	.1	100.04	100.09	9/02	15.16
Invt. in Industry 94 £	0⅛	99.97	100.06	17/01	15.19
Leeds Perm. B/S. 94 £	0⅛	100.05	100.10	15/01	15.37
Milk Mkt.Brd. 5 93 £	0⅛	99.91	99.96	29/03	15⅛
New Zealand 5 97 £	.07	100.00	100.10	22/02	15⅛
Northern Rock 92 £	0⅛	99.84	99.89	20/01	5⅛
State Bk. Nsw. 98 US	.188	100.05	100.15	11/02	8.81
Woolwich Equit.BS. 93 £	0⅛	100.02	100.07	15/01	15.37
Woolwich 5 95 £	0⅛	99.98	100.03	22/02	15.31

Average price change... On day +0.00 on week +0.02

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Alcoa 6⅛ 02 US	8/87	62.	121⅛	122⅛	-0⅛	0.39
Amer. Brands 7⅛ 02 US	9/87	56.7	116⅞	117⅞	-0⅛	1.22
CBS. Inc. 5 02 US	4/87	200.	97⅛	98⅛	-0⅛	7.86
Dai-Ichi Kan. 3⅞ 04 US	7/89	3486.	96⅛	97⅛	+0⅛	9.54
Primerica 5½ 02 US	4/87	66.75	74½	75½	-0⅛	71.15
Eng.China Clay 6⅛ 03 £	9/88	4.8	98⅛	99⅝	-0⅛	1.07
Fujitsu 3 99 US	5/84	1106.	217½	218½	+5	0.87
Ladbroke 5⅛ 04 £	6/89	7.1	105⅛	106⅛	-0⅛	121.48
Land Secs. 6⅛ 02 £	4/87	6.72	90⅛	91⅛	-0⅛	14.40
Minolta Camera 2⅛ 94DM	2/86	1004.	110	111½	+2⅛	10.87
MCA INC 5⅛ 02 US	9/87	69.62	99⅞	100⅞	-0⅛	15.74
Mitsubishi Bk. 3⅛ 04US	5/89	3244.	91⅛	92⅛	-0⅛	5.55
Next Plc 5⅛ 03 £	11/87	4.3	96⅛	97⅛	+0⅛	333.92
Nibb Nipp.Bk.2⅞ 03 US	4/88	884.	150	151	-1⅛	-3.20
Omnicom Inc. 6 1/2% 04 US	10/89	28.	105⅛	106⅛	0	17.41
Sanwa Tateishi 2⅞ 02 US	4/87	1310.	295½	296½	+5⅛	0.99
Ranks Hovis 4⅛ 03 £	11/88	3.5	122	123	+0⅛	-0.06
Redland 7⅛ 02 £	11/87	5.4	111⅛	112½	+0⅛	1.31
Saatchi&Sachi.6⅛ 03 £	10/89	4.41	87⅛	88⅛	-0⅛	47.14
Silicon Graphics 8 04 US	16/89	23.10	124⅛	125⅛	0	9.56
Sumitomo Bank 3⅛ 04 US	2/89	3997.	85⅛	86⅛	-0⅛	8.32
Texas Inst. 2⅛ 02 US	9/87	82.87	78⅛	79⅛	0	80.35
Utd.N'papers 8 04 £	10/89	8.77	123⅛	124⅛	-0⅛	138.59
W.R. Grace 6⅛ 02 US	9/87	42.12	93⅛	94⅛	0	82.78

* No information available-previous day's price

† Only one market maker supplied a price

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (three-month; §above mean rate) for US dollars. C.cpn = The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv date = First date of conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Activity slow ahead of today's US data

By Andrew Freeman

ACTIVITY WAS patchy on the Eurobond market yesterday. Syndicate officials were waiting for today's US economic data before risking deals in uncertain conditions. Traders said there was pent up demand for dollar bonds at the right price.

INTERNATIONAL BONDS

In Germany, a DM500m 10-year issue for the European Investment Bank was launched by Deutsche Bank to a good reception, enlivening an otherwise unchanged market. The bonds carried an 6 per cent coupon, breaching an important psychological barrier for investors — the last such coupon for a supranational borrower was nearly five years ago.

Demand was steady, and the paper traded at a discount of 1.10 bid, inside full fees and around fees to co-managers.

There was busy new issue activity in Switzerland, where prices of recent issues edged lower in response to higher short-term interest rates and the reopening of the straight public market. The World Bank 6 per cent issue fell 1¾ point to 96¼.

Wednesday's SFr100m 7 per cent Scandinavian Airlines System issue opened yesterday around less 3 bid, but improved to trade around less 2¾ bid, inside full underwriting fees.

Union Bank of Switzerland brought a SFr65m deal for Südwestdeutsche Landesbank Capital Markets with a 7¼ per cent coupon. The deal sold out quickly amid favourable comments on the pricing and was quoted by UBS at a ½ point premium to the 100¾ issue price.

A series of Japanese convertible issues had fine receptions and were all quoted at premiums to their par issue prices. Daiwa's SFr50m issue for Hibiya Engineering was trading at 103 bid, while Banca del Gottardo's SFr35m deal for Tomiya Apparel reached 102¼ bid. A SFr40m issue for Mitani Sekisan led by Yamaichi Bank was trading at 101½ bid.

Elsewhere, new issue opportunities proved few and far between. Credit Suisse First Boston brought a retail-targeted C$125m two-year unswapped issue for the Federal Business Development Bank to an average reception.

The bonds offered an attractive 11½ per cent coupon, and were priced to yield 27 basis points over the equivalent Canadian government issue. This failed to attract hot demand, and the bonds were trading just outside fees at less 1.17 bid. A CSFB official said the price had been adjusted to reflect a slightly weaker government bond market.

The underwriting syndicate was heavily biased towards retail houses, and the CSFB commented that the paper should sell over the next few days.

Fuji International Finance (Australia) brought a 10-year $100m issue via Fuji International. The deal carried a call option at par after five years, and was trading on fees at less 2 bid.

Japan to relax issue rules for finance houses

JAPAN IS planning to ease restrictions on Japanese financial institutions' issue of convertible bonds, Reuter reports.

At present Japanese financial institutions may only issue convertible bonds to finance expenditures for some kinds of capital investments.

The easing in restrictions would aim at helping the institutions use convertible bonds to meet the stiff capital standards proposed by the Bank for International Settlements, the Finance Ministry said.

Gilts volatile as Ford UK workers reject pay offer

By Martin Dickson in London and Janet Bush in New York

THE REJECTION of a 10.2 per cent pay deal by workers at Ford Motor sent UK government bond prices lower yesterday morning for the fourth successive day.

GOVERNMENT BONDS

However, an afternoon rally left the long end of the market slightly ahead of overnight levels.

In early morning trading, the benchmark Treasury stock due 2003/07 rapidly lost more than ½ of a point, sweeping the yield well beyond the psychologically important 10.5 per cent barrier to touch 10.56 per cent – around the high point for the past two years.

However, analysts said that statements from government ministers supporting a tough line on pay helped improve sentiment, while consideration of the high historical yields at the long end of the market brought buyers in.

Some retail interest was evident in the afternoon, but the market remained thin and led by futures. There the March long gilt closed at 90.09, the same as the previous night, after a high of 90.10 and a low of 89.25.

Meanwhile, the Stock Exchange announced that total customer turnover in gilts fell about three per cent last year compared with 1988. Turnover reached £531.5bn compared with £547.3bn the previous year.

However, turnover increased in some sectors. For instance, in gilts with between seven and 15 years to maturity, turnover rose to £141.1bn from £122.2bn the year before.

■ WEST GERMAN government bonds traded in a narrow band in a thin market. December cost of living figures, announced during the day, had no appreciable impact, and the market closed with little movement on the day.

The federal government 7¼ January 2000 was fixed in the morning at 98.64, down a pfennig from yesterday's fixing, and in late afternoon trading was quoted at around 98.65 for a yield of 7.45.

Most action was concentrated in the futures market. After an overnight 89.36, the March contract opened at 89.47 and closed at 89.54, with a high of 89.73 and a low of 89.40.

■ US TREASURY bonds remained confined to a tight trading range yesterday morning as traders waited for today's clutch of economic data, including December producer prices.

At midsession, short-dated maturities were quoted around ⅛ point lower, while long-dated issues were around ⅛ point lower.

The benchmark long bond stood ⅛ point lower at midsession for a yield of 8.09 per cent.

There was little activity yesterday, and not much follow-through demand after better than expected demand at the seven-year auction on Wednesday.

The market is concerned about today's release of December producer prices and retail sales figures. The Producer Prices Index is expected to have risen by 0.5 per cent last month, but only by around 0.2 per cent once food and energy prices are stripped out. The overall PPI fell 0.1 per cent in November, but rose 0.2 per cent taking out food and energy.

There was a minor depressing factor for the bond market yesterday in the form of the latest initial claims for unemployment insurance. These dropped 87,000 in the week ended December 30. A fall had been expected, but the size of the decline came as something of a surprise, and may mean that the economy is too buoyant. Weekly insurance claims provide early data for monthly employment statistics.

The US Federal Reserve did not operate in the money market at its usual intervention time, despite the central bank's need to drain liquidity. The market expects the Fed to drain through matched sales, perhaps today.

Federal funds were on the weak side at yesterday's midsession, quoted at 8½ per cent compared with the presumed current target of 8¼ per cent.

■ CAP GEMINI SOGETI, the French computer services and software house, is to raise FFr1.5bn with an issue of convertible bonds, George Graham adds from Paris.

The issue is jointly managed by Banque Lazard and Banque Indosuez. The bonds have a 10-year maturity and a coupon of 5.5 per cent, at a price of FFr600.

They have a reimbursement option at a value of FFr744 in 1995, and can be converted, at a rate of one Cap Gemini share for one bond, from February 15 this year.

The company said yesterday that shareholders would have the right to subscribe in priority to one bond for every 10 shares held. It added that FFr450m of the FFr1.5bn issue was reserved for international investors.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
UK GILTS		13.500	9/92	102-25	-4/32	12.24	11.86	11.92
		9.750	1/98	93-23	-5/32	10.95	10.63	10.83
		9.000	10/08	91-22	-1/32	[illegible]	9.74	9.77
US TREASURY*		7.875	11/99	99-00	+0/32	[illegible]	7.96	7.82
		8.125	8/19	100-14	+3/32	8.08	8.02	7.89
JAPAN	No 111	4.800	6/99	91.4146	-0.272	6.24	5.81	5.41
	No 2	5.700	3/07	[illegible]	-0.571	6.10	5.79	5.47
GERMANY		7.000	9/99	96.6200	+0.200	7.50	[illegible]	7.25
FRANCE	BTAN	8.000	10/94	[illegible]	+0.175	10.14	10.21	9.55
	OAT	8.125	5/99	91.9600	+0.470	9.44	9.52	9.10
CANADA*		9.250	12/99	98.6500	-0.200	9.78	9.67	9.60
NETHERLANDS		7.250	7/99	94.0700	+0.060	8.16	8.08	7.75
AUSTRALIA		12.000	7/99	95.1216	+0.156	12.90	12.85	13.02

London closing, *denotes New York morning session
Yields: Local market standard Prices: US, UK in 32nds., others in decimal

Technical Data/ATLAS Price Sources

Securities body warns firms on EC draft ruling

By Richard Waters

CAPITAL investment businesses in the UK will face a large increase in the capital they are required to carry if a European Community draft directive proceeds in its current form, the Securities Association warns.

The warning is contained in a letter, marked "confidential and important," which was sent this week to 1,000 securities firms in the UK.

The letter is signed by Mr Andrew Winkler, chairman of the Association's International Capital Committee, and gives the first detailed commentary of the unpublished draft directive.

The letter points to four areas of concern to the UK regulators:

- The position risk requirements proposed by the EC do not have the same flexibility as the existing UK system. For instance, the EC draft does not allow for diversification or hedging. In the UK these help to reduce a firm's exposure for capital purposes. Similarly, the draft does not allow firms to set off convertibles against the underlying equity.
- The draft would force firms to carry ¼ per cent of the value of all transactions from the trade date to the time they are settled, to cover failure by counter parties or by the settlement system itself. This would result in a "very large increase" in capital requirements.
- The calculation of capital under the draft EC rules is more restrictive than under the UK system. The ratio of subordinated debt to shareholders' funds would not be allowed to top 2.5, compared to the figure of 4 in use in the UK. Also, firms would not be able to include guarantees when calculating capital.
- All investment firms that handle clients' money would be required to hold initial capital of Ecu500,000, while others would have to provide Ecu50,000.

Although existing firms would not have to meet these requirements, the association says they would unnecessarily restrict new entrants to the investment industry.

AIBD fights to be taken seriously

Andrew Freeman on the association's rows with its own members

The Association of International Bond Dealers (AIBD) was profoundly glad to see the back of 1988 and 1989: but it is unable to face the future with equanimity. Many of the battles fought by its board over the last two years have not been decisively ended, and the terrain of future conflicts is clearly mapped out.

As one observer commented, the biggest problem for the AIBD is that its own members have been among the slowest to take the association seriously: "They still think it's the Association of International Beer Drinkers." Being tipped by the Economist magazine as the organisation which puts on the best annual jamboree for its members did little to dispel this image.

In the words of one of its directors, in the last five years the AIBD has developed from a "social club type of organisation founded in 1969," employing just four people, to a large professional business with around 100 staff.

During that period, it strengthened its raison d'être by becoming a designated investment exchange in the UK. This status gave it formal regulatory authority over the Eurobond market. No longer a mere trade association, the AIBD appeared to be developing into a powerful vehicle for the primary and secondary international bond markets.

The last two years, however, have seen that progression nearly stopped on several occasions.

Most spectacularly, at the Dallas annual conference in 1988, the Trax electronic trade matching and reporting system was in danger of being aborted when a sceptical membership almost succumbed to a negative whispering campaign by EuroClear and Cedel, the organisations responsible for clearing and settling Eurobonds.

That conference dissolved into chaos and recrimination, sending a shaken AIBD board back to Zurich to rethink its strategy.

In 1989, an apparently successful conference at Vienna saw members endorse the reform and professionalisation of the AIBD's secretariat, only for a series of embarrassing resignations to delay the changes and reinforce the impression that the association was an amateurish affair not ready for the responsibilities implied by its investment exchange status.

When Mr John Langton, previously a director of the broking firm Gintel, accepted the job as chief executive of the AIBD last November, it was the first piece of good news the association had announced since the Vienna meeting.

One observer commented that the biggest problem for the AIBD is that its own members have been among the slowest to take the association seriously: 'They still think it's the Association of International Beer Drinkers'

Mr Langton is an AIBD insider and a long-standing board member. He shrugged off criticisms that the association had appointed one of its own and set about asserting his authority. Observers noted that his gruff exterior contrasted with the smooth presentation of his predecessors, but that he had the advantage of being a market professional whose knowledge was widely respected.

In taking on the job, he had few illusions. "My priority is to get my feet under the desk and prepare the ground for a straightforward general meeting in Amsterdam next year. The emphasis will be on educating the membership," he said.

Within days, however, Mr Langton had to endure a frustrating setback which to many observers typified the stop-go character of the AIBD.

The association had announced a schedule of fines and penalties for members that had failed to meet a series of deadlines requiring them to comply with the trade reporting requirements of the Trax system.

When a large body of members missed a final deadline, the AIBD itself was technically in breach of its UK designated exchange status, and had to show the financial authorities that it was serious about its responsibilities.

After a trial period to allow the necessary software development, the fines were due to be implemented from December 1.

However, following vociferous opposition from members at a UK regional meeting, the AIBD backed down and said it would review the application of the fines and postpone them until at least April.

Several Eurobond houses expressed reservations, not so much about the principle of the fines, as about some of the practical difficulties faced by Trax users.

One UK bank estimated that the fine schedule would have cost it at least £3,000 per day had it been implemented as planned, mainly because the bank has trouble reporting trades within the thirty minute deadline.

The compromise, seen by many as a climbdown, was particularly galling for Mr Langton as he had publicly stated the seriousness of the fine proposal, and he was one of the AIBD officials with a strong view on Trax's importance to the association.

John Langton: emphasis on educating the membership

According to Mr Peter Morris, chairman of the Fulcrum consultancy group and one of the individuals commissioned in 1988 to write the detailed rules for Trax, Mr Langton played a crucial behind-the-scenes role at the Dallas conference.

"He was the one who understood the scale of the Trax problem and was the driving force behind the rescue operation," says Mr Morris.

Members present at the Dallas conference said there was serious concern on the AIBD board that a motion against the Trax system would be moved from the floor. Had this occurred and been passed, the AIBD might not exist in its present form.

Why is Trax so important? The answer, clearly set out at Dallas and again in 1989 at Vienna, still seems to elude many AIBD members.

Obviously, Trax allows the association to meet UK trade reporting requirements, justifying its designated exchange status. As Mr Richard Britton of the UK's Securities and Investments Board said at Dallas, gaining that status was a remarkable achievement, effectively giving the Eurobond market exemption from UK legislation.

It is important, however, because it gives the AIBD an information monopoly. When Trax was conceived, its planners imagined a central system of trade information around which they could build a series of money-spinning projects.

There was talk of a Eurobond index and of derivative instruments based on the index or on baskets of bonds.

Because the AIBD owns the data on which these products could be based, it can manipulate the information and charge fees for its dissemination. In time that should allow it to generate considerable profits.

Arguably, this is an area where existing Trax users have legitimate complaints, for they have seen little in the way of wider information advantage from the system. An important step occurs in a few months' time when a daily table of AIBD bond prices derived from Trax will be published in the Financial Times.

The AIBD has assured its members that Trax will be self-financing, and for now it is concentrating on making this assurance a reality. The question is whether it can overcome the opposition both of its own members and that of the two clearing organisations.

This is the first of three articles looking at the future of the AIBD and its relations with its members and the Eurobond clearing houses. The second article will appear next week.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Thursday January 11 1990 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1990 to date	Wed Jan 10 Index No.	Tue Jan 9 Index No.	Mon Jan 8 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (202)	949.65	+0.1	12.01	4.50	10.14	0.00	948.37	955.48	952.34	818.76
2	Building Materials (27)	1171.87	+0.4	13.44	4.82	9.28	0.00	1167.56	1173.32	1169.06	996.85
3	Contracting, Construction (36)	1602.24	-0.1	[illegible]	4.92	8.31	0.00	1603.96	1611.07	1606.27	1543.61
4	Electricals (10)	2695.59	-0.1	[illegible]	4.61	12.59	0.00	2699.23	2714.30	2705.79	[illegible]
5	Electronics (30)	2012.44	-0.6	9.08	3.64	14.16	0.00	2024.21	2044.72	2024.49	1985.61
6	Engineering-Aerospace (8)	489.02	+0.5	12.30	4.51	[illegible]	0.00	486.37	492.18	485.01	0.00
7	Engineering-General (44)	500.88	——	11.23	4.69	10.74	0.00	501.14	501.89	500.95	0.00
8	Metals and Metal Forming (6)	492.88	-0.9	23.92	6.10	4.72	0.00	497.52	504.54	504.46	470.79
9	Motors (16)	397.31	-0.1	13.39	5.31	8.76	0.00	397.67	401.37	399.28	367.44
10	Other Industrial Materials (25)	1754.02	+0.9	9.57	4.11	12.13	0.00	1738.61	[illegible]	1759.81	1371.99
21	CONSUMER GROUP (180)	1345.36	+0.2	8.45	3.53	14.79	0.00	1343.13	1354.92	1348.69	1050.68
22	Brewers and Distillers (22)	1568.17	+0.1	9.16	3.35	13.56	[illegible]	1566.47	1573.41	1580.08	1153.69
25	Food Manufacturing (19)	1167.25	+0.6	9.31	3.78	13.34	0.00	1160.25	1175.66	1170.57	949.94
26	Food Retailing (16)	2334.43	+0.8	8.80	3.24	14.74	0.00	2316.37	2340.93	2332.56	1835.84
27	Health and Household (13)	2737.86	+0.5	5.72	2.39	20.82	0.00	2723.16	2754.15	2753.37	1850.65
29	Leisure (34)	1683.63	-0.9	7.96	3.52	15.48	0.00	1699.41	1717.22	1700.06	1386.04
31	Packaging & Paper (15)	599.22	+0.5	10.99	4.82	11.44	0.00	596.02	587.20	585.29	543.45
32	Publishing & Printing (17)	3800.30	+0.7	8.28	4.61	15.60	0.00	3772.98	3785.97	3804.25	3360.96
34	Stores (31)	821.18	-0.8	10.66	4.58	12.20	0.00	828.00	835.12	833.60	782.25
35	Textiles (13)	547.27	+0.8	10.56	5.47	11.48	0.00	542.74	546.32	550.13	478.13
40	OTHER GROUPS (103)	1222.58	+0.3	10.47	4.46	11.43	0.00	1219.13	1224.83	[illegible]	925.68
41	Agencies (16)	1617.14	+0.5	6.54	2.23	18.70	0.00	1608.53	1624.07	1606.66	1097.83
42	Chemicals (22)	1283.72	-0.2	11.80	5.01	9.99	0.00	1286.55	1295.60	1286.93	1075.73
43	Conglomerates (14)	1707.15	+0.6	10.63	5.12	11.01	0.00	1697.40	1699.20	1694.90	1275.63
44	Transport (13)	2405.21	+0.2	10.06	4.00	12.66	0.00	2401.25	2417.23	2407.81	1926.82
46	Telephone Networks (2)	1254.22	+0.7	10.13	4.09	12.84	0.00	1244.88	1249.27	1252.73	1033.38
47	Water (10)	1980.33	+0.9	[illegible]	6.84	6.29	0.00	1963.34	1983.11	1973.99	0.00
48	Miscellaneous (26)	1963.75	-0.4	9.03	4.22	12.49	0.00	1971.79	1977.38	1979.25	1207.92
49	INDUSTRIAL GROUP (485)	1224.06	+0.2	9.97	4.06	12.28	0.00	1221.69	1230.49	1226.16	972.66
51	Oil & Gas (15)	2383.06	+0.6	9.08	4.81	14.56	0.00	2368.06	2407.43	2414.34	1786.40
59	500 SHARE INDEX (500)	1321.54	+0.3	9.84	4.16	12.54	0.00	1318.20	1329.38	1325.87	1041.79
61	FINANCIAL GROUP (114)	852.59	-0.3	–	4.99	–	0.00	855.52	862.37	864.19	691.51
62	Banks (9)	890.30	——	19.35	5.65	6.79	0.00	890.50	901.04	893.15	688.18
65	Insurance (Life) (7)	1406.20	-1.5	–	[illegible]	–	0.00	1428.05	1438.39	[illegible]	965.28
66	Insurance (Composite) (7)	717.46	-0.3	–	5.27	–	0.00	719.68	723.77	734.03	539.59
67	Insurance (Brokers) (6)	1162.06	+1.0	6.39	5.42	20.03	0.00	[illegible]	1170.26	1182.43	961.98
68	Merchant Banks (8)	496.05	-0.4	–	3.50	–	0.00	497.82	500.10	[illegible]	325.16
69	Property (49)	1226.18	-0.5	7.40	[illegible]	16.91	0.00	1231.95	1236.29	1238.96	[illegible]
70	Other Financial (28)	347.49	-0.3	12.14	6.06	10.80	0.00	348.57	350.52	349.33	350.16
71	Investment Trusts (68)	1299.47	——	–	2.79	–	0.00	[illegible]	1315.31	1316.12	962.15
91	Overseas Traders (5)	1574.14	+1.0	8.78	5.03	13.12	[illegible]	1558.25	1569.06	1564.20	1274.57
99	ALL-SHARE INDEX (687)	1209.67	+0.2	–	4.25	–	0.00	1207.72	1218.02	1215.80	955.57

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Jan 10	Jan 9	Jan 8	Jan 5	Jan 4	Year ago
FT-SE 100 SHARE INDEX♦	2417.9	+5.3	2421.0	2396.5	2412.6	2436.3	2431.3	2444.5	[illegible]	1850.9

FIXED INTEREST

	PRICE INDICES	Thu Jan 11	Day's change %	Wed Jan 10	xd adj. today	xd adj. 1990 to date
	British Government					
1	Up to 5 years	116.22	-0.07	116.30	–	0.25
2	5-15 years	127.94	-0.07	128.04	–	0.08
3	Over 15 years	137.01	+0.08	136.91	–	[illegible]
4	Irredeemables	154.99	+0.03	154.95	–	0.00
5	All stocks	126.62	-0.05	126.69	–	0.14
	Index-Linked					
6	Up to 5 years	141.83	+0.12	141.67	–	0.00
7	Over 5 years	140.02	+0.12	139.85	–	0.21
8	All stocks	140.03	+0.12	139.86	–	0.19
9	Debentures & Loans	105.50	-0.37	105.89	–	0.00
10	Preference	84.24	-0.18	84.40	–	0.00

	AVERAGE GROSS REDEMPTION YIELDS		Thu Jan 11	Wed Jan 10	Year ago (approx.)
	British Government				
1	Low	5 years	10.37	10.33	9.40
2	Coupons	15 years	9.86	9.86	9.10
3		25 years	9.82	9.83	9.00
4	Medium	5 years	11.39	11.35	10.56
5	Coupons	15 years	10.31	10.32	9.69
6		25 years	9.94	9.95	9.25
7	High	5 years	11.53	11.49	10.81
8	Coupons	15 years	10.49	10.49	9.84
9		25 years	10.06	10.07	9.16
10	Irredeemables†		9.88	9.88	8.99
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs.	3.83	3.87	[illegible]
12	Inflation rate 5%	Over 5 yrs.	3.66	3.66	3.74
13	Inflation rate 10%	Up to 5 yrs.	2.98	3.01	2.62
14	Inflation rate 10%	Over 5 yrs.	3.49	3.50	3.58
15	Debs &	5 years	[illegible]	13.66	11.65
16	Loans	15 years	12.30	12.42	11.28
17		25 years	12.23	12.14	10.95
18	Preference		10.96	10.94	10.32

♦Opening index 2396.7; 10 am 2408.9; 11 am 2415.0; Noon 2419.5; 1 pm 2418.8; 2 pm 2418.7; 3 pm 2417.3; 3.30 pm 2415.1; 4 pm 2416.2 (a) 12.16pm (b) 9.01am † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL, price 15p, by post 34p. NAME CHANGE: Ferranti International Signal (5) has become Ferranti International.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	26	51	23
Corporations, Dominion and Foreign Bonds	0	8	32
Industrials	370	360	877
Financial and Properties	162	180	351
Oils	22	29	42
Plantations	3	2	5
Mines	84	9	66
Others	77	81	99
Totals	744	720	1,495

LONDON RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1989/90 High	1989/90 Low	Stock	Closing Price p	+ or –	Net Div	Times Cov'd	Gross Yield	P/E Ratio
£100	F.P.	–	101	98	Abtrust New Thai Inv.	99	+1	–	–	–	–
§	F.P.	–	61	45	Do. Warrants	61		–	–	–	–
975	F.P.	–	86	81	§Air London 5p	86		R2.25	2.5	3.5	13.1
†	F.P.	–	30	23	*Analysis Hldgs. 20p	28		–	–	–	–
240	100	–	171½	100	Anglian Water	166	+4	R15.3	2.3	6.7	7.5
†	F.P.	–	[illegible]	53	Anglo-Park Group 35p	[illegible]		5.0	3.0	[illegible]	4.6
§100	F.P.	–	100	95	Anglo Scand. Inv. Units	95	-1	[illegible]	–	4.7	–
§	F.P.	–	32	26	Do. Warrants	31	-1	–	–	–	–
[illegible]	F.P.	–	45	40	*Biocure 1p	40	-1	–	–	–	–
†	F.P.	–	220	215	*Cafe Ions £1	220	+5	–	–	–	39.5
†	F.P.	–	300	300	*Clarswell Group £1	300		R1.0	–	0.4	–
210	F.P.	–	300	265	Chiltern Radio 10p	292		4.0	2.9	1.8	24.7
†	F.P.	–	215	215	*Citybond Storage Serv.£1	[illegible]		–	–	–	–
§	F.P.	–	9¼	5¼	EFM Dragon Tst Wrrts'05	9¼		–	–	–	–
[illegible]	F.P.	–	55	49	Europeau Project IT 10p	51	-1	–	–	–	–
–	F.P.	–	30	18	Do. Warrants	29		–	–	–	–
†	F.P.	–	120	115	*Fast Forward Ions £1	120	+5	–	–	–	–
§130	F.P.	–	138	[illegible]	Fired Earth Tiles 10p	133		R4.87	2.2	4.9	10.9
–	F.P.	–	49	43	First Philippe. Inv. Tst.	44	+1	–	–	–	–
–	F.P.	–	22	18	Do. Warrants	19	-1	–	–	–	–
§100	F.P.	–	108	103	Grosvenor Dev. Cap.	107		–	–	–	–
–	F.P.	–	43	22	Ibstock Johnsen Wrrt.	[illegible]	-2	–	–	–	–
[illegible]	F.P.	–	42	38	*Image Store Hldgs. 10p	42		–	–	–	–
§	F.P.	–	600	489	JF Philippine Fd $1	490	-1	–	–	–	–
§	F.P.	–	226	198	Do. Warrants	226	+14	–	–	–	–
100	F.P.	–	103	100	Lon. & New York Cv. Tst.	101	-1	R6.38	–	8.4	–
$10.5	F.P.	–	660	626	Malaysian Smlr. Co's Fd.	626	-16	–	–	–	–
§	F.P.	–	276	233	Do. Warrants	271	-1	–	–	–	–
500	F.P.	–	515	500	Merlin Intl. Green Inv.	510		R2.25	–	0.6	–
975	F.P.	–	78	[illegible]	‡Micklegate Group 1p	71		R2.25	3.4	[illegible]	8.3
†	F.P.	–	£15½	£13¼	Millicom Inc. 1c	£13¼	-¼				
240	100	–	164	100	North West Water Grp.	157	+4	R15.7	2.3	7.1	6.9
240	100	–	182	100	Northumbrian Water	179	+1	R16.1	3.6	6.7	4.5
55	F.P.	–	72	55	*Oxford Virology 5p	66		–	–	–	–
†	F.P.	–	11	11	*Polysource Hldgs. 5p	11		–	–	–	–
10	F.P.	–	12	10	Prospect Inds. 5p	11½	+½	10.3	g2.8	5.5	8.5
§130	F.P.	–	173	143	Sage Group 5p	170	-1	15.85	2.1	4.6	13.4
240	100	–	157½	100	Severn Trent	144		R14.85	[illegible]	7.0	4.8
240	100	–	181	100	South West Water	[illegible]	+4½	R17.43	[illegible]	7.4	5.1
240	100	–	162	100	Southern Water	159		R15.93	2.5	6.7	6.7
525	F.P.	–	40	25	‡Storm Group 1p	37		–	–	–	59.7
†	F.P.	–	16½	12½	‡Surrey Group 5p	14½	-½	R0.23	3.3	2.1	13.6
□	F.P.	12/1	558	528	TR High Inc Tst Units	[illegible]		R6.0	–	7.5	–
240	100	–	169	100	Thames Water	159½	+3½	R14.58	2.4	6.5	7.2
£2000	£1000	–	£1670	£1000	Water Package Units	£1590	+20				
240	100	–	169	100	Welsh Water	161	+1	R16.75	2.9	7.4	5.1
240	100	–	182	100	Wessex Water	167	+2½	R15.21	2.6	6.6	6.4
240	100	–	186	100	Yorkshire Water	168	+3	R15.42	2.4	6.7	6.9

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1989/90 High	1989/90 Low	Stock	Closing Price £	+ or –
92.94	F.P.	–	99⅛	95½	British Inv. Tst. 11¼pc Sec. Db 2012	96¼	-⅛
89.65	£30	–	30½	[illegible]	Brixton Ests. 10⅝pc 1st Mtg Db 2012	29¾	+⅛
§99.68	F.P.	–	100½	97½	Foreign & Col. 11¼pc Db. 2014 £100	[illegible]	+⅛
§	£50	–	56	53	Grosvenor Dev. Cap. 7½pc Uns.Ln.1999	55	
100p	F.P.	–	106p	93p	MB Grp. 7.25p Cv. Cm. Rd. Pf. 15p	106p	+2
100	F.P.	–	100	97	[illegible] 12pc Cv.Uns.Ln 2000	97	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1989/90 High	1989/90 Low	Stock	Closing Price p	+ or –
11	Nil	–	1½pm	½pm	‡Audio Fidelity 10p	1½pm	
18	Nil	–	9pm	6½pm	Aztec Petroleum	9pm	+1
290	F.P.	2/2	352	331	Fisons	337	

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. o Earnings based on preliminary figures. s Dividend and yield exclude special payment. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1989. K Dividend and yield based on prospectus or other official estimates for 1990-91. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1990. N Dividend and yield based on prospectus or other official estimates for 1989/90. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. * Third Market.

TRADITIONAL OPTIONS

- First Dealings Jan 8
- Last Dealings Jan 19
- Last Declarations Apr 5
- For settlement Apr 17

For rate indications see end of London Share Service

Calls in Ferranti Intl., Bula Res., Blackwood Hodge, Nu-Swift, Amstrad, Kalon, Campari, Platignum, Regentcrest, Aitken Hume and Summer Intl.

LONDON TRADED OPTIONS

Option		CALLS Jan	Apr	Jul	PUTS Jan	Apr	Jul
Allied Lyons (*519)	460	62	83	90	1½	5	12
	500	25	52	63	5	15	22
	550	3	[illegible]	33	34	39	44
ASDA (*122)	120	7	[illegible]	20	[illegible]	9	12
	130	2½	10½	15	11	13	17
Brit. Airways (*227)	200	29	37	41	½	3	5½
	220	11	23	[illegible]	3	8	13
	240	1½	13	16½	16	18	23
Brit Com (*94)	90	8	17	20	3½	6	9
	100	3	10	13	8	10	15
SmKl Beecham A (*609)	550	–	83	99	–	6	13
	600	20	47	65	9	21	28
	650	7	23	39	44	50	52
Boots (*279)	260	21	36	41	1½	6	9
	280	5	22	29	6	13	18
B.P. (*335)	300	38	45	50	1	4	7
	330	10	23	28	2½	9½	15
	360	1	10	15	26	27	29
British Steel (*141)	140	–	–	14	–	–	8
	145	1½	7	–	5½	7	–
[illegible] (*1055)	1000	68	113	140	3	14	25
	1050	25	80	108	15	35	40
	1100	3	50	80	50	63	62
C & Wire (*565)	500	69	98	110	1½	8	14
	550	23	57	73	7	21	30
	600	4½	31	45	40	48	55
Cons. Gold (*1480)	1450	55	–	–	3	–	–
	1500	5	–	–	20	–	–
Courtaulds (*393)	360	37	54	60	2	7	12
	390	12	35	40	8	17	23
	420	3	20	27	30	34	39
Com. Union (*498)	500	11	28	43	12	24	27
	550	4	12	22	54	63	65
GKN (*442)	420	28	44	55	1½	17	20
	460	5	23	35	11	37	41
	500	1	9	–	60	65	–
Grand Met. (*646)	600	52	68	90	2	16	22
	650	13	[illegible]	58	15	38	43
I.C.I. (*1180)	1150	45	79	110	11	44	52
	1200	17	47	62	30	72	77
	1250	5	29	–	73	104	–
Jaguar (*849)	800	52	52	52	½	½	½
	850	½	½	½	½	–	1
Kingfisher (*302)	300	10	[illegible]	34	8	14	21
	330	2	14	19	30	31	37
Ladbroke (*336)	330	–	30	37	–	12	17
	360	2½	17	25	26	30	33
Land Secs (*530)	500	36	58	67	1½	8	13
	550	4	29	38	23	31	38
M & S (*206)	180	28	37	39	¼	3	4
	200	10	20	24	2½	7	10
	220	1½	9	12	16	17	19
STC (*277)	260	21	31	40	2½	13	16
	280	6	18½	28	9	21	25
Sainsbury (*267)	260	11	24	28	4	8	10
	280	2	12	19	17	18	19
Shell Trans. (*465)	460	13	30	45	5	18	25
	500	2	13	22½	37	45	48

Option		CALLS Jan	Apr	Jul	PUTS Jan	Apr	Jul
Storehouse (*123)	120	6	15	18	3	7	11½
	130	2½	10	–	11	12	–
Trafalgar (*367)	360	–	42	47	–	18	27
	377	8	–	–	15	–	–
Utd. Biscuits (*367)	360	13	30	41	5	15	[illegible]
	390	3	14	25	26	33	35
Unilever (*694)	650	48¼	69½	89¼	2	9¼	14½
	700	8¼	35½	56½	12¼	27¼	32¼
Ultramar (*372)	360	20	35	[illegible]	8	17	20
	390	4	18	[illegible]	23	32	35
Option		**Feb**	**May**	**Aug**	**Feb**	**May**	**Aug**
Brit. Aero (*575)	500	88	95	110	3	12	17
	550	47	63	80	12	28	33
	600	16	37	55	37	55	60
BAA (*381)	360	33	49	57	6	9	15
	390	14	30	40	18	22	26
	420	4	16	26	40	42	46
BAT Inds (*834)	800	50	68	116	9	27	37
	850	27	55	87	25	50	57
	900	10	39	–	73	79	–
BTR (*461)	460	21	35	50	13	23	36
	500	7	18	32	43	48	50
Brit. Telecom (*304)	280	30½	42	48	1½	3½	6
	300	14½	27	33	6	9	11
	330	3	12½	17	27	28	29
Cadbury Sch (*362)	330	41	52	65	4	11	13
	360	20	34	47	13	24	27
	390	8	21	–	33	41	–
Guinness (*669)	650	[illegible]	57	79	12	24	29
	700	13	32	50	39	49	54
GEC (*241)	220	23	34	39	1½	4	8
	240	9	21	26	8½	10½	14
Hanson (*237)	220	21	32	37	[illegible]	4	6
	240	8	18½	24	8	10½	13
LASMO (*580)	550	49	73	90	9	22	27
	600	17	42	62	32	45	48
P. & O. (*647)	600	60¼	75¼	94½	4	15¼	20¼
	650	25	43	68	20	36¼	40
Pilkington (*236)	220	24	34	38	2½	6	10
	240	10	22	25	9	15	19
Prudential (*216)	200	21	25	[illegible]	1½	5	7
	220	9	14	20	10	15	16
Racal (*241)	240	–	–	34	–	–	18
	250	9	–	–	14	–	–
R.T.Z. (*593)	550	–	72	90	–	14	20
	600	22	42	60	20	35	37
Scot. & New (*358)	330	38	55	65	8	12	21
	360	18	38	45	18	25	33
Tesco (*192)	180	17¼	23¼	28¾	2¼	5¼	6¾
	200	[illegible]	12	17½	12	15	16
Option		**Jan**	**Mar**	**Jun**	**Jan**	**Mar**	**Jun**
Abbey Nat. (*186)	180	9	15	19	2½	6	7
	200	2	5	9	16	18	19
Option		**Feb**	**May**		**Feb**	**May**	
Plessey (*268)	260	11	–	–	½	–	–
	280	¼	¼	–	–	–	–
Option		**Jan**	**Mar**	**May**	**Jan**	**Mar**	**May**
Ferranti (*39)	35	6½	8½	11	2½	3½	5½
	40	2½	6½	8½	5	6½	7½

Option		CALLS Jan	Mar	May	PUTS Jan	Mar	May
Polly Peck (*409)	390	24½	45¼	58¾	3½	14¼	20
	420	7¼	27¼	41½	17¼	28¾	34½
Thames Water (*160)	140	21	24	28	1	2	5
	160	4	11	16	5	10	11
	180	1	4	8	22	23	24
Water Hldg Pkg (*1543)	1500	105	150	195	15	25	35
	1550	65	115	160	25	45	50
	1600	40	85	125	55	65	70
Option		**Feb**	**Apr**	**Jun**	**Feb**	**Apr**	**Jun**
Reuters (*1048)	1000	80½	108	134	16½	33	40½
	1050	47¼	79½	104	36¼	54	61¼
Option		**Mar**	**Jun**	**Sep**	**Mar**	**Jun**	**Sep**
Amstrad (*50)	50	6½	9½	13	6	9	9
	60	3	7	9	12½	13	16
Barclays (*569)	550	40	53	68	17	23	27
	600	12	27	42	45	48	52
Blue Circle (*255)	250	22	–	–	10	–	–
	260	–	20	29	–	24	27
British Gas (*226)	220	13	23	26	5½	6½	11
	240	4	10	14	18	20	22
Dixons (*134)	130	11½	18	21	6½	9	12
	140	6	10	14	12	14	16
Glaxo (*800)	800	45	70	100	30	40	45
	850	23	49	75	60	65	69
Hawker Sidd. (*707)	700	52	63	90	30	45	50
	750	27	40	65	57	70	78
Hillsdown (*286)	260	24	31	40	11	15	18
	300	13	21	29	20	25	27
Lonrho (*314)	300	22	36	46	15	19	[illegible]
	330	11	22	32	33	34	37
Midland Bk (*374)	360	29	38	43	16	20	23
	390	14	23	30	33	35	40
R Royce (*192)	180	21	24½	31	4½	8½	10
	200	9½	13½	20	13	18	19
Sears (*110)	110	8½	12	14	5	8	10
	120	4	6½	10	12	14	15
THF (*307)	300	24	30	43	8	14	18
	330	10	17	26	25	29	33
Thorn EMI (*802)	800	[illegible]	77	85	29	48	46
	850	22	47	53	45	62	75
TSB (*137)	130	9½	15	19	6	7	9
	140	4	8	10	10	11	13
Vaal Reefs (*$125)	110	18	23	24	5	8	10
	120	11	16	20	10	12	14
Wellcome (*768)	750	65	95	130	23	43	52
	800	40	70	104	65	69	75

FT-SE INDEX (*2415)

	2200	2250	2300	2350	2400	2450	2500	2550
CALLS								
Jan	220	172	135	90	50	24	5½	3
Feb	249	204	160	119	83	54	34	19
Mar	272	229	185	147	110	[illegible]	57	39
Apr	–	–	205	166	133	105	78	57
Jun †	319	–	240	–	170	–	116	–
Dec †	[illegible]	–	325	–	261	–	195	–
PUTS								
Jan	2	3	4½	11	24	48	89	139
Feb	9	13	19	25	43	67	100	141
Mar	16	21	29	40	55	78	110	146
Apr	–	–	37	49	64	87	116	150
Jun †	31	–	50	–	80	–	130	–
Dec †	66	–	[illegible]	–	110	–	165	–

January 11 Total Contracts 38,054
Calls 21,922 Puts 16,132
FT-SE Index Calls 3342 Puts 2974
*Underlying security price. † Long dated expiry months

Disposals help enlarged Daily Mail reach £113m

By David Owen

DAILY MAIL and General Trust, the UK newspaper group, reported pre-tax profits of £113.3m for the year ended September 1989.

Profit before exceptional items and taxation amounted to £53m on turnover of £592.4m. A final dividend of 75p was proposed, taking the full-year total to £1.

Since spending £527m in November 1988 to acquire the 50 per cent of Associated Newspapers that it did not already own, DMGT has embarked on a series of asset disposals to trim down to its core newspaper holdings. These, coupled with provisions to cover redundancy and moving costs, have coloured the results significantly.

Comparative figures for the group which publishes the Daily Mail and the Mail on Sunday are meaningless because of the Associated takeover.

Assets disposed of include the company's listed investment portfolio and its 14.8 per cent stake in Consolidated-Bathurst, the Canadian pulp, paper and packaging group. DMGT tendered its shares to Stone Container's successful bid for Consolidated for C$378.4m (£196.6m).

Net exceptional credits totalled £60.3m. That figure resulted from profits of £181.9m on the sale of investments less charges of a higher-than-expected £75.4m for redundancy and remaining revenue costs associated with the move of the group's London operations; £29.7m for the writedown from original cost to current market value of its investment in Northern Star Holdings; and £16.5m for special pension contributions.

Extraordinary items amounted to £37.9m, including profits on the disposal of half of DMGT's stake in Whittle Communications, as well as the sales of the NOP Group and the American Lawyer, less tax and minority interest.

Trading profit from newspapers and magazines totalled £60.4m, while other activities recorded a £3.5m trading loss.

Earnings per share amounted to 407.7p before and 904.8p after the exceptional items.

Associated is currently embroiled in a controversial plan to de-recognise the National Union of Journalists and move all journalists to individual contracts.

Norfolk Capital says coup could threaten listing

By Andrew Hill

NORFOLK CAPITAL Group yesterday warned that if an attempted management coup by privately-owned Balmoral International succeeded, the hotel company might lose its identity and its listing.

A circular to Norfolk shareholders said that there could be a conflict of interest between Balmoral's objectives – to acquire luxury city-centre hotels – and Norfolk's own similar goals.

Edinburgh-based Balmoral, formed last year, owns 12 per cent of Norfolk and wants to instal three executives on the board. They would manage Norfolk on a five-year contract for a fixed fee, plus performance-related bonuses payable to the Edinburgh company. The trio maintain that if successful, Balmoral would concentrate solely on Norfolk's development.

The triumvirate, headed by the hotelier Mr Peter Tyrie, plans to dispose of peripheral businesses, including some of Norfolk's hotels and the St James's residential clubs, putting the remaining hotels under the Balmoral name.

Mr Peter Eyles, Norfolk's managing director, said yesterday: "Balmoral would almost become a franchiser of the name to Norfolk."

The document, which criticised the Balmoral executives' record, also revealed a potentially damaging boardroom split at Norfolk. Two non-executive directors – Mr Tony Good and Lady Eileen Joseph – want to oust Mr Eyles and bring Mr Tyrie onto the board.

Meanwhile, Norfolk has produced a list of Balmoral's backers. They include nominee holders in Europe and the Far East, as well as Noble Grossart, Balmoral's merchant bank, Bank of Scotland, Sumitomo Life Insurance, and Norwich Union. Balmoral intends to reveal the ultimate owners of its shares next week.

Finlay Packaging seeks £0.8m compensation

By Robert Chote

Finlay Packaging, the Belfast-based colour printer and packaging group, is to claim over £800,000 in compensation after Olympic Containers, the Stockport-based company it bought for £2.8m in 1988, failed to meet its profit targets.

Olympic made profits of £84,284 in the 54 weeks prior to acquisition, against £325,000 estimated by the vendors.

Independent experts were called in to calculate the profits after the joint auditors failed to agree a figure.

According to the terms of the takeover agreement, £803,000 is immediately repayable to Finlay, which is also making further claims for breach of warranty.

Strengthening the ties of a 30-year alliance

John Griffiths looks at the background to Toyota's stakebuilding in Inchcape

TOYOTA sold an estimated 350,000 cars in Western Europe last year. Sensitive to the political strains being created in the region by the influx of itself, Nissan and Honda as manufacturers as well as importers, it is reluctant to discuss potential sales in the mid to late-1990s as its UK production plant comes fully on stream with at least 200,000 cars a year to swell the total volume.

But there is little doubt that it expects the figure to be far higher than last year's – and that Inchcape, the international services and trading group in which Toyota took a "symbolic" 4.7 per cent shareholding yesterday, is likely to play a significant role in the vehicles' distribution.

Toyota is also taking a 51 per cent stake in Toyota GB, Inchcape's Toyota distribution company, in stages over the next eight years at a cost of £60m.

Inchcape is already Toyota's biggest independent importer/distributor, processing some 135,000 vehicles for Japan's largest producer in a total of ten countries last year.

Despite the protestations yesterday of Sir George Turnbull, Inchcape's chairman, that Inchcape has no plans to expand its Toyota distribution activities further into continental Europe, it appears to be an ideal candidate to do so.

This is particularly so since Mr Junji Numata, a managing director of Toyota Motor and chairman of its new UK subsidiary, said yesterday that Toyota would stick to its policy of maintaining independent distributors in countries where it has no manufacturing presence. In only one of Western Europe's 17 main markets, West Germany, does Toyota own its own distribution network.

Inchcape already holds the Toyota franchise for Belgium, Luxembourg and Greece. At the same time other parts of the motor businesses which contribute a substantial part of its turnover, notably its Mann Egerton subsidiary, have been tentatively exploring the vehicle distribution opportunities which might be offered by the emergence of a single European market post-1992.

Lydia van der Meer

Junji Numata (left) and Sir George Turnbull outline the details of the agreement between Toyota and Inchcape

Sir George, who joined Inchcape from Peugeot Talbot UK in 1984, also played a role in persuading the conservative Toyota to come to Europe, in particular the UK, and Inchcape's links with Toyota in any case go back 30 years or so.

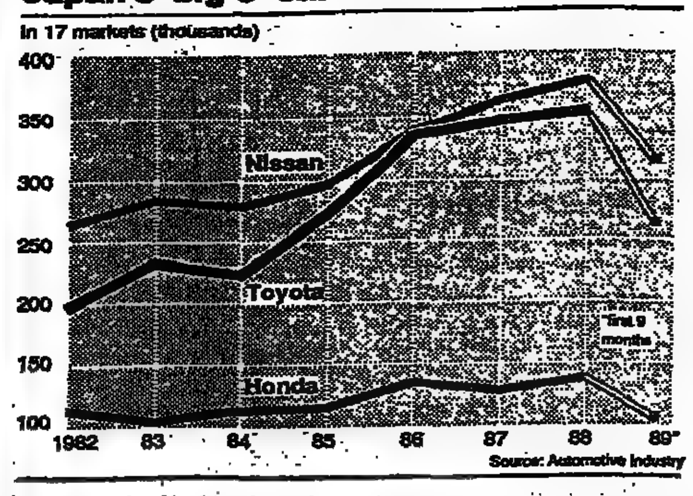
Sir George himself stopped short of specifically ruling out a joint expansion on the Continent – "If Toyota wanted us to look at any difficult markets we would certainly do so."

Certainly, Toyota will need to make substantial changes to its representation in some major markets, if indeed national import barriers are swept away after 1992.

It has connections with small independent companies in France and Italy, for example. But then national import restrictions in these markets so far have kept sales to almost notional levels. In the first nine months of this year, Toyota sold only 10,471 cars in France and 2,633 in Italy, compared with 61,590 in West Germany and 34,203 in the UK.

There is no doubting the depth of Toyota's challenge in the West European market – or the opportunities likely to be presented to its distributors. It will launch into Europe's luxury car market later this year with its Lexus range, thus directly challenging BMW, Mercedes and is considering setting up its own light commercial vehicle production on top of the £840m investments it is making in car and engine production in the UK.

Japan's 'big 3' car sales in W Europe



Source: Automotive Industry

Against this background, the assertion by Mr Numata that Toyota intends to increase the number of its continental dealerships by around 20 per cent, to around 2,400, looks distinctly conservative.

However, what Toyota seemed at least as concerned about yesterday was emphasising the enduring, amicable nature of its relations with Inchcape and Toyota GB.

As Mr Numata pointed out, the awarding of an exclusive distribution contract for Toyota GB until the year 2007 at least is unprecedented for Toyota anywhere in the world.

And Sir George seemed anxious to stress that the 18-year agreement, "finally sets the seal of security on the franchise".

The concern was relevant – because in the absence of goodwill, Inchcape had relatively little leverage over Toyota. Its current five-year franchise agreement was due to run out at the end of this year.

And while both Sir George and Mr Numata stressed that there had been no rival offers to set up a dealer network for Toyota, it would certainly be possible – if expensive and highly inconvenient – for a motor manufacturer which is sitting on a $12bn cash mountain to establish a network entirely of its own from scratch.

However, both sides made clear that Toyota had not even tried to buy Inchcape out completely. "This was not a matter of one side pushing the talks through – it was was an entirely amicable discussion."

The two sides seemed anxious to avoid any of the uncertainties and sometimes controversy which has surrounded the emergence of Nissan as a manufacturer in the UK, and its relations with Nissan UK, the independent importing operation owned by Mr Octav Botnar.

Nissan Motor has previously held discussions with Mr Botnar with a view to regaining the UK franchise for its vehicles – but the negotiations were abandoned.

Spectrum drops into the red

By Clare Pearson

SPECTRUM GROUP, the USM-quoted distributor of computer equipment, fell into a £41,389 pre-tax loss last year after a £163,130 exceptional debit for the termination of the service contract of Mr Michael Stern, the former chairman.

The result for the 12 months to end-June 1989, announced yesterday, compared with a £215,890 profit in the comparable period.

Mr Michael Stern, a founding Spectrum director, left the company in May. Mr Alistair MacGillivray, who has taken over as chairman, said this was by mutual agreement with the rest of the board.

Mr Alan Warren, another long-serving director, retired along with Mr Stern.

Profits stood at £121,741 before the exceptional item. Spectrum said it had incurred higher sales and administration expenses through expanding its sales space, while interest costs were affected by increases in working capital and higher interest rates.

Gross profit rose to £3.37m (£2.73m) on sales of £10.86m (£9.39m). The company made two acquisitions during the course of the year.

A taxation adjustment, for the prior year's tax, produced a debit of £35,980.

The loss per share was 0.4p, against earnings of 1.8p.

There was an £84,556 extraordinary gain arising on disposals of subsidiaries.

Dewhurst rises 31%

A 31 per cent improvement in pre-tax profits was announced by Dewhurst, the electrical control equipment maker, for the year ending October 18 1989.

On turnover 11 per cent ahead from £6.29m to £7m, the taxable figure came through at £969,054 compared with £739,013.

The final dividend of 1.5p makes a 2.3p (1.74p) total. A one-for-two scrip issue is also proposed.

After tax of £344,196 (£274,382) earnings per 10p share amounted to 8.68p (6.45p).

UK COMPANY NEWS

GEC/Siemens to divide up Plessey by end of March

By Charles Leadbeater, Industrial Editor

GEC and Siemens aim to agree by the end of March how they will divide up Plessey, the British defence contractor they took over last year.

The management teams discussing how to divide the Plessey businesses have been holding intensive meetings in London and Munich since the £2bn takeover last September.

They have set a deadline of ten weeks' time to decide which businesses to sell, how the proceeds should be shared, and how the rest should be managed. Siemens does not want to jointly manage any of the businesses, but wants majority control, according to a participant in the talks.

However, he said the talks – due to resume in Munich next week – were being conducted "in a spirit of good humour and co-operation."

The broad lines of how Plessey will be divided were agreed prior to the bid. Siemens will take Plessey's radar and communications divisions, while GEC will control its avionics and maritime businesses. The remainder includes a range of defence and civil businesses.

The division of Plessey will confirm Siemens' increasingly central role to European high technology industries, following Wednesday's announcement that it is taking a majority stake in Nixdorf, the West German computer manufacturer. That move will make Siemens the largest European computer group, while the Plessey acquisition will confirm its position as the world's third largest telecommunications manufacturer, well positioned to take advantage of expanding opportunities in Eastern Europe.

The deal should also give Siemens a significant foothold in the UK defence electronics industry.

The impending division of Plessey will fuel fears among trade unions of further job losses in the defence industry in the wake of recent redundancies at Ferranti International, which has been hit by an alleged £215m fraud.

It is understood that GEC will only be drawn back into a possible bid for part of Ferranti if Thomson, the French defence and consumer electronics group, launches a bid. Ferranti will today issue its interim results, which are expected to show a small loss.

Kingfisher attacked on Laskys closures

By Maggie Urry

ANOTHER ROUND in the £568m retail bid battle between Kingfisher and its target Dixons was fought yesterday as Dixons raised the question of why Kingfisher had acquired Laskys, another electrical retail chain, in October last year and was now closing most of the Laskys shops.

In the stockmarket, Dixons shares fell 4p to close at 134p as traders hedged their bets on a possible Monopolies and Mergers Commission reference – the decision whether to refer the bid is expected next week. Kingfisher shares fell 1p to 302p.

Dixons, the leading electrical retailer in the UK, questioned why after taking over Laskys, Kingfisher converted most of the 58 stores to Kingfisher's Comet electrical shops – at a cost of about £1m – only to close them now.

Mr John Clare, managing director of Dixons Stores Group, said the episode suggests Kingfisher's strategy had "less to do with retailing and more to do with short-term accounting benefits". Dixons asked whether closure was what Kingfisher meant by "its outstanding record in turning round retail businesses that have lost their way."

Mr Archie Norman, Kingfisher finance director, said that having paid £8.9m for Laskys, which has a book value of over £11m, it made sense to convert them to Comet stores in time for the vital Christmas trading period, so that they could benefit from Comet's advertising campaign and ranges of goods.

Mr Norman said the group would end up with around a dozen good Comet sites, perhaps 9 or 10 sites for Kingfisher's Superdrug drugstore chain, other sites which could be used within the group, and some sites which could be sold. This would recover most of the book value of Laskys, he said.

Alan Harper

The TSB Group's 1989 result was "not satisfactory", Sir Nicholas Goodison, chairman, said at the press conference yesterday announcing a sharp drop in profits. "Shareholders have every right to expect better results in future. The board and the management of every company within the Group are commited to fulfilling those expectations and increasing earnings per share."

Saudis criticise Hartwell 'history of under performance'

By John Thornhill

JAMEEL Group, the Saudi Arabian trading company, yesterday sent out its offer document for Hartwell strongly criticising the management and financial record of the Oxford-based motor and property group.

Mr Rupert Carington, chairman of the Oakhill subsidiary through which the £151.3m offer is being made, wrote: "Hartwell has a history of under performance and its prospects are bleak under the current management. I strongly urge Hartwell shareholders to accept our generous cash offers."

The main thrust of Jameel's criticism was directed against two recent acquisitions and Hartwell's earnings per share performance over the past five years.

The Saudi Arabian group claimed that at a time of falling margins and expensive borrowing, Hartwell had paid too much when it bought the Charles Clark Group and the Ford & Slater Group dealerships last May for £30.2m.

It also pointed out that Hartwell's compound annual growth in earnings per share between 1985 and 1989 had been just over 1 per cent after adjusting for inflation.

The Jameel Group, which owns the Toyota distribution rights for Saudi Arabia and has an extensive international property portfolio, said it could bring its expertise to bear on developing Hartwell's business.

In response, Mr Peter Huggins, Hartwell's chairman, said: "The Jameel Group grossly fails to recognise the true value of Hartwell and this is an attempt to buy the company on the cheap."

Hartwell's shares yesterday closed at 141p, down 1p, compared with Jameel's offer worth 136p per share.

Bear Brand wins LI

The recommended all-paper offer by Bear Brand, the hosiery group, for Leisure Investments has been accepted by holders representing 57 per cent of LI's ordinary shares.

It has been declared wholly unconditional.

Shandwick finance director resigns after 18 months

By Alice Rawsthorn

SHANDWICK, the international public relations group, lost its second finance director in three years when Mr David Slobom resigned yesterday.

Mr Slobom, appointed by Shandwick in June 1988 from BAT Industries, has resigned "with immediate effect" to find a new post. Mr Peter Gummer, chairman and chief executive, said Mr Slobom had been appointed to overhaul Shandwick's financial systems and that job was now completed.

Shandwick has appointed Mr Clive Ward, a partner of Ernst & Young accountancy group, as director of corporate finance. He has worked with Shandwick – Ernst & Young is its auditor – since its flotation four years ago, and, with the group's financial controller, will fill Mr Slobom's role.

Senior management has also been reshuffled. Mr Anthony Stoddard, a director since 1986, has become group managing director. He will take over responsibility for day-to-day management from Mr Gummer, who will continue as chairman and chief executive but concentrate on strategy.

Shandwick, which recently announced profits of £14.8m on turnover of £126.1m for the year to July 31, has grown rapidly by acquisition. Last summer it made two acquisitions in London and New York.

At the same time Mr Gummer reduced his stake from 12 to 9 per cent, selling 2.3m shares, to raise £3m. Shandwick fell 2p to 143p yesterday.

Lep to pay £15m for rest of Profit Systems

By Clare Pearson

Lep Group, the broadly-based services company, plans to buy the balance of the shares in Profit Systems, its US separately-quoted freight forwarding arm, for about $25m (£15m).

Lep, which through an affiliate currently owns 60.25 per cent of the shares, said it had reached agreement to buy a further 10.5 per cent from directors and intended to buy the rest of the NASDAQ-quoted company at $12 per share.

Mr Harvey Pittluck, Profit Systems' chairman, is to resign with a payment of $1.5m.

International freight forwarding is Lep's largest division. On announcing interim profits of £9.55m in October, it said that activity had suffered competitive pricing in the US.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres-ponding dividend	Total for year	Total last year
Daily Mail & Gen......fin	75	-	51	100	73
Dewhurst ......fin	1.5	Apr 2	1.16	2.2	1.74
Jones Stroud ......int	3	Apr 6	2.5	-	7.5
Neotronics Tech ......fin	1.2	Feb 28	1.2	1.8	1.8
Nobo ......int	2.42	Mar 9	2.2	-	6.6
PWS ......fin	1.5	-	nil	2.5	3.5
TSB ......fin	2.95†	Apr 2	2.66	5.6	5.24
Zetters ......int	1.75	Feb 28	1.5	-	6

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. §§Unquoted stock. ¶Third market.

PWS recovers after acquisition disasters

By Patrick Cockburn

PWS HOLDINGS, the Lloyd's reinsurance broker, looks to be making a successful recovery from the disasters of 1988, with pre-tax profits up marginally from £1.53m to £1.62m for the year ending September 30.

The profit figures are less important than the evidence that PWS has weathered the expensive damage sustained through its takeover of Glen Nyan & Associates, the California insurance broker, without injuring its core reinsurance business.

Interest on debts run up during the company's expansion drive was £1.4m but Mr Malcolm Pearson, chairman and chief executive, said long term debt was down from £9.54m at the end of 1988 to £8m today. Gross earnings rose from £16.3m to £17.98m.

Earnings per share were up from 3.7p to 6.4p. The final dividend is 1.5p and makes 2.5p for the year, against 3.5p last time – paid before GNA and other problems had become starkly apparent.

Mr Pearson said all divisions were trading profitably although "the general picture in the international insurance market remains one of over-capacity, with consequently depressed rating structures and intense competition."

When, and if, the insurance cycle turns up, the company was well positioned to expand its interests in North America and was looking for new teams of brokers in niche sectors.

In case that should re-awaken too many recent and unpleasant memories Mr Pearson added reassuringly: "This does not mean that we shall be returning in any way to the disastrous acquisition policy of 1986-88."

New products push Multitone back into black

By Robert Chote

Multitone Electronics, the radio paging manufacturer, has announced its first interim profit since 1985 as a result of product development and the establishment of new distribution arrangements.

The pre-tax outcome of £73,000 for the six months to October 31, compared to losses of £286,000 for the six months to end-September 1988. At the operating level profits were £1.75m (£935,000).

Mr Ian Karten, chairman, said that he expected the operating profit margin for the second half to be roughly comparable to the 17 per cent achieved so far.

The tax charge doubled after a strong performance from the West German subsidiary, leaving the group with a loss after tax of £60,000 on turnover of £10.1m (£9.9m). The loss per share was 0.4p (2.3p).

The pre-tax rise came despite an exceptional item of £520,000 for the costs of a largely complete UK rationalisation programme and a £115,000 rise in net interest.

Net borrowings fell from £5.0m to £4.3m. Monthly interest charges have come down relative to the immediately preceding six months and are expected to decline further in the current half-year.

Nobo slips to £1.2m

Materials costs and the integration of Velos depressed profits at Nobo Group in the six months to October 31 despite a 38 per cent rise in sales from £9.05m to £12.47m.

The taxable result fell from £1.64m to £1.18m. The share price fell 41p to 159p.

Directors of the office equipment manufacturer also said that short-term costs had increased. To cut future costs some £40,000 had been invested in computer systems.

A stronger performance is expected in the second half.

The interim dividend is 2.42p (2.2p). Earnings per share were 7.26p (10.4p). Interest and similar charges rose to £315,000 (£94,000).

BOARD MEETINGS

TODAY	
Interims- Biotechnology Investments, Geevor, Property Trust, Security Archives.	
Finals- Honorbilt	
FUTURE DATES	
Interims-	
Associated British Consul...	Jan. 19
Elbief	Feb. 8
Unitech	Feb. 6
Finals-	
Davenport Vernon	Jan. 18
Greenwich Resources	Jan. 17
Manchester Ship Canal	Feb. 9
Svenska Cellulosa	Mar. 14

NOTICE OF REDEMPTION

HMC MORTGAGE NOTES 3 PLC

Class A Mortgage Backed Floating Rate Notes Due July 2015

NOTICE IS HEREBY GIVEN to the holders of the Class A Mortgage Backed Floating Rate Notes Due July 2015 (the "Class A Notes") of HMC Mortgage Notes 3 PLC (the "Issuer") that, pursuant to the Trust Deed dated 12th July, 1988 (the "Trust Deed"), between the Issuer and The Law Debenture Trust Corporation p.l.c. as Trustee, and the Agency Agreement dated 12th July, 1988 (the "Agency Agreement"), between the Issuer and Morgan Guaranty Trust Company of New York (the "Principal Paying Agent") and others, the Issuer has determined that in accordance with the Redemption provisions set out in the Terms and Conditions of the Class A Notes, Available Funds as defined in the Terms and Conditions in the amount of £18,000,000 will be utilized on 12th January, 1990 (the "Redemption Date") to redeem a like amount of Class A Notes. The Class A Notes selected by drawing in lots of £100,000 for redemption on the Redemption Date at a redemption price (the "Redemption Price") equal to their principal amount, together with accrued interest thereon are as follows:

OUTSTANDING CLASS A NOTES OF £100,000 EACH BEARING THE DISTINCTIVE SERIAL NUMBERS SET OUT BELOW

Bearer Notes

41	90	160	257	404	512	571	626	681	709	777	803	1052	1199	1302
45	95	170	262	410	530	575	630	684	710	780	865	1054	1201	1304
48	97	173	268	414	533	578	632	686	750	781	875	1060	1210	1363
50	106	197	274	429	538	580	634	689	758	783	879	1067	1217	1365
53	110	200	280	432	545	591	639	691	759	784	974	1075	1265	1367
60	112	205	283	440	550	595	640	694	760	786	976	1098	1271	1372
62	114	207	289	444	553	596	642	695	763	788	980	1100	1272	1378
63	124	218	299	495	557	599	643	698	765	791	992	1105	1281	1380
74	129	225	350	498	558	607	650	700	769	793	1015	1137	1283	1381
78	135	230	355	500	561	611	670	704	770	798	1021	1147	1291	1384
81	137	232	360	502	564	613	673	706	772	799	1030	1177	1295	1387
89	142	253	398	510	567	615	675	707	778	802	1033	1182	1300	1389

The Class A Notes may be surrendered for redemption at the specified office of any of the Paying Agents, which are as follows:

Morgan Guaranty Trust Company
of New York
PO Box 161
1 Angel Court
London EC2R 7AE

Banque Internationale
a Luxembourg S.A.
2 Boulevard Royal
L-2953
Luxembourg

Morgan Guaranty Trust Company
of New York
Avenue des Arts 35
B-1040 Brussels, Belgium

Morgan Guaranty Trust Company
of New York
30 West Broadway
New York, New York 10015
Attn: Corporate Trust Operations

In respect of Bearer Class A Notes, the Redemption Price will be paid upon presentation and surrender, on or after the Redemption Date, of such Notes together with all unmatured coupons and talons appertaining thereto. Such payment will be made (i) in sterling at the specified office of the Paying Agent in London or (ii) at any specified office of any Paying Agent listed above by sterling cheque drawn on, or at the option of the holder by transfer to a sterling account maintained by the payee with, a Town Clearing branch of a bank in London. On or after the Redemption Date interest shall cease to accrue on the Class A Notes which are the subject of this *Notice of Redemption*.

HMC MORTGAGE NOTES 3 PLC
By: MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, *as Principal Paying Agent*

Dated: January 12, 1990

NOTICE

Withholding of 20% of gross redemption proceeds of any payment made within the United States is required by the Interest and Dividend Tax Compliance Act of 1983 unless the paying agency has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the Payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent if presenting your Class A Notes to the paying agency's New York Office.

GLOBAL GOVERNMENT PLUS FUND LIMITED

International Depositary Receipts representing 100 Common Shares

On 28th December, 1989 Global Government Plus Fund Limited announced that the net asset value of the Fund per common share as at 19th December, 1989 was US $ 7.0565.

Accordingly, Global will pay, in addition to the regular dividend of US $ 0.035 per share, US $ 7,0565 for each common share validly tendered pursuant to the offer made by Global on 6th November, 1989 to purchase up to 25% of its issued and outstanding common shares.

The purchase price represents a revised confirmation of the Fund's net asset value as at 19th December, 1989. Payment of the purchase price shall be made in accordance with the terms and subject to the conditions of the offer.

MORGAN GUARANTY TRUST
COMPANY OF NEW YORK

BRUSSELS OFFICE, AS DEPOSITARY

UK COMPANY NEWS

Andrew Hill and **Clare Pearson** report on the interim results of four water companies

Southern tops £24m and monitoring levels carefully

SOUTHERN WATER yesterday warned that its water resources were lower than usual for the time of year, following last summer's drought.

Mr William Courtney, chairman, said higher than average December rainfall had helped relieve the situation, but the group was still monitoring water levels carefully.

The company, one of the 10 newly-privatised water and sewage businesses, announced pre-tax profits of £24.4m for the six months to September 30.

Mr Courtney said the group was confident of meeting its forecast, contained in the offer prospectus, of at least £57m in pre-tax profits for the full year. That would enable it to pay the forecast final dividend of 10.02p.

Southern said it was co-operating with the surprise announcement of a Monopolies and Mergers Commission investigation into last February's purchase of a stake in Mid-Sussex Water Company, one of three statutory companies in the region now controlled by SAUR, the water supply subsidiary of French construction group Bouygues.

It also confirmed that a joint venture with SAUR – Stalwart Environmental Services – had begun tendering for local authority refuse collection and cleansing contracts.

The company's turnover was £112m in the six-month period, which precedes privatisation. Had the industry's capital restructuring taken place at the beginning of the period Southern would have made profits of £38.3m after tax, and reported earnings of 23.4p per share. The partly-paid shares fell 1p to 158p.

William Courtney: December rainfall had helped

Yorkshire relying on river supplies

LAST SUMMER'S drought continues to make itself felt at Yorkshire, the newly-privatised water company, which yesterday said it would carry on pumping treated river water through the system for the rest of the financial year.

The measure, a precaution against another dry summer, has already been fully provided for and will have no effect on Yorkshire's pre-tax profits for the year to end-March 1990, forecast at not less than £54m.

Mr Clive Stones, financial controller, said yesterday the company was confident of meeting this target.

His comment came as Yorkshire announced pre-tax profits of £17.4m for the half-year to end-September, on turnover of £177.4m. There was a £5.3m extraordinary item for privatisation and restructuring costs.

The company said it was on target to meet its final dividend forecast of 10.28p net per share. Assuming the new capital structure had been in place from April 1, Yorkshire would have made post-tax profits of £45.7m and earnings per share of 23.3p.

Yorkshire was the only water company to alter its profits forecast in the short gap between the publication of the pathfinder and final prospectus last November. An outbreak of rain, ending the drought, caused it to add £2m to the original £52m figure.

Most of the company's water is channelled through the Grid, an extensive system built up since 1974 in order to transport water from rivers in the rural north of the area to the industrial conurbations in the south.

Yorkshire's partly-paid shares rose 3p to 168p yesterday.

Northumbrian confident at £3.8m

NORTHUMBRIAN Water Group – star performer in early water share dealings – said yesterday that it was confident of meeting full-year forecast pre-tax profits of £5.5m, contained in its offer prospectus.

The shares were nine times subscribed in the privatisation, making them easily the most popular of the 10 groups floated before Christmas.

Since then the partly-paid shares have risen as high as 182p against the offer price of 100p.

Yesterday, when Northumbrian announced interim profits of £3.8m before tax, the shares were unchanged at 177p, higher than any other water shares.

Mr David Cranston, the finance director, said yesterday: "We are very buoyed up about it: we are proud about the share price and the fact that the shares are owned by such a wide range of retail investors."

He said the interim profits, which cover the period before privatisation, indicated that Northumbrian, smallest of the 10 water companies, would be able to pay a single dividend of 10.69p at the end of the year, as indicated in the prospectus.

Turnover for the less representative first half was £78.1m. On a pro forma basis, which adjusts interest charges as though the new capital structure was already in place, the group would have made profits of £34.2m after tax and earnings per share would have been 52.2p.

There was an extraordinary charge of £2.5m relating to privatisation and restructuring.

South West says forecast dividend is assured

SOUTH WEST, where the Government used a high yield as the water company's biggest selling point at flotation last autumn, assured shareholders yesterday that was no threat of dividend payments for the current-year coming out at below forecast levels.

At the same time, the company unveiled pre-tax profits for the half-year to end-September of £17.8m, which it said "supported" its forecast pre-tax profits of not less than £44.5m in the full-year.

The directors said they continued to expect to recommend a single dividend of 11.62p, as in the prospectus.

The interim pre-tax profit was scored on turnover of £61.2m. There were £1.5m worth of privatisation and restructuring costs. Assuming the new capital structure had been in place since April 1, South West would have made post-tax profits of £40.2m and earnings per share of 32.9p.

Commenting on South West's first few weeks as a quoted company, Mr Roger Furniss, head of corporate affairs, said he believed employees were becoming more and more aware that they were new in a customer service industry whose performance was now firmly in a wider audience's eye.

A display showing movements in the company's share price in the foyer of its Exeter headquarters attracted constant interest from workers, many of whom were shareholders, he said.

South West, earlier seen as one of the hardest companies to sell because of past bad press and concerns about the lack of experience in working together of its management team, has seen its shares touch a premium of 81p to the 100p partly-paid price since flotation. Yesterday the shares closed 4½p higher at 175p.

Mr Furniss said South West, in a strongly cash positive position at the moment, would not be borrowing funds in the sterling bond market unless it saw an opportunity to obtain fine terms.

Zetters recovers to £0.36m as coupon innovations lift turnover

By Andrew Bolger

ZETTERS GROUP yesterday reported a recovery in its profits, which were slashed by the postal strike in September 1988.

The football pools company made pre-tax profits of £363,735 in the six months to September 30, compared with £113,514 in the corresponding period of the previous year. Turnover rose to £12m (£10.9m) and earnings per share tripled to 3.3p. The interim dividend is 1.75p (1.5p).

Mr Terry Yardley, financial director, said innovations introduced to coupons in August – giving a bonus for high-scoring score draws, increasing dividends and allowing payment by credit card – had increased turnover.

Turnover in competitions and marketing – mainly running the Lotto competition for News International – dropped to £966,312 (£981,591).

NEWS DIGEST

Jones Stroud issues profits warning

JONES STROUD was hit in the first half by the closure and resiting of certain subsidiaries and reduced orders in the consumable durable industry.

And with trading becoming more difficult the profit for the full year would not reach the £7.1m of 1988-89 warned Mr Philip Jones, chairman.

The six months to September 30 saw the group, a maker of accessories and materials for the textile and electrical industries, lift turnover from £28.67m to £30.32m. Pre-tax profit, however, fell from £3.68m to £3.48m.

That led to earnings reduced to 11.58p (12.44p). But the interim dividend is raised to 3p (2.5p) and Mr Jones forecast the final would be held at 5p.

European Leisure £6.9m French buy

European Leisure has acquired Le Palace, a discotheque, and Sweet World Cafe, a theme restaurant and bar, both located in the centre of Paris. Aggregate consideration of FFr64m (£6.9m) cash included a FFr6m (£645,000) loan.

Le Palace is one of France's best known discotheques catering for up to 3,000 people nightly. It is closed at present, but it will be relaunched in the spring following a FFr2m refurbishment. It also incorporates a high quality restaurant with 300 covers which is transformed into an exclusive nightclub on four nights a week. Sweet World Cafe caters for up to 400 people, is situated close to Le Palace and is a major "feeder restaurant".

11% advance at Sheafbank Property

Sheafbank Property Trust returned profits of £482,562 for the six months to end-September, an 11 per cent improvement over last time's £434,175.

Earnings amounted to 1.97p (1.87p) and the interim dividend is 0.1p (same). The directors said the company remained financially strong with a solid capital base and low gearing.

Commercial Union life business up

Commercial Union Assurance has reported a 34 per cent rise in worldwide new life and pensions premiums to £500.5m in 1989. New life and pensions annual premiums amounted to £132.8m (£104.8m). Single premiums totalled £377.7m (£268.1m).

Torex higher in first full year on USM

In its first full year on the USM, Torex Hire, the Torquay-based tools and catering equipment manufacturer, increased taxable profits by 25 per cent to £907,000.

The advance from £725,000 was achieved on turnover up 30 per cent at £4.59m (£3.52m).

The recommended final dividend of 1.6p raises the total for the year to 2.4p (0.04p) from earnings per share of 6.42p (5.05p).

Sidney Banks improves to £1.23m

Profits of Sidney C Banks, the grain and agricultural merchant, rose from a depressed £1.09m to £1.23m pre-tax for the half year ended October 31. Turnover expanded from £61.63m to £74.15m.

Earnings emerged at 11.6p (10.6p) and the interim dividend is being lifted to 2.5p (2.125p). The directors said they were confident that the trend of reduced profits during the last two years had been halted.

THE PROPERTY MARKET

Degrees of pessimism on property shares

By Paul Cheeseright

PITY the poor property share dealer. Almost time these days to write a novel or take an evening course. The market is languishing with few signs that it will do anything else for the next few months.

Property shares, indeed, took no part in the stock market's New Year rally. The FT's Property Share Index is marginally higher than its level at this time last year. The sector consistently has been underperforming the rest of the market.

Alex Moss of Barclays de Zoete Wedd said "the sector is in no-man's land – it's just drifting." He said that last Wednesday, 103,000 Land Securities shares traded, compared with an average of about 750,000 a day in 1989; 14,000 MEPC shares traded compared with a 1989 daily average of about 450,000.

So nobody loves the property share market. The question is whether or not this attitude of indifference will change during the year.

What seems fairly clear is that the difficulties of the sector are relatively short term. The problem is that the short term influences on the market all look bearish and that it requires an act of faith to buy because of longer term bull factors which are somewhat vague.

Michael Payne, an investment strategist at Legal & General, ticks off the bull factors as the 1992 target for removing EC trade barriers, the development of the Channel tunnel, the growth of London as an international financial centre, noting that with trade opening up there will be a demand for more property, especially in the south east of England.

Mr Payne's list of the short term bearish factors is the familiar one: potential oversupply of space, high interest rates, the tapering off of rental growth, the fact that property shares are out of fashion from the point of view of major investors.

Stock market analysts, pondering their recommendations with the nagging fear that recession may not be avoided, are not exactly pushing the sector at their clients.

Charterhouse Tilney, which has regularly argued that the gloom in the sector has been overdone, is different from many of its peers in believing that real rental growth will continue in the early 1990s. "All the bad news possible, it seems, is in the price."

But even this view does not carry with it an injunction to dash out and buy. "We would not be jumping into the market at the moment." Rather, "the time to buy seriously will be when the general market suffers any setback."

Historically, property stocks are cheap. The average discount of the sector to net asset value is around 40 per cent against a 10-year average of less than 25 per cent. The Charterhouse Tilney view inevitably leads to the conclusion that by the end of the year the sector "should warrant perhaps 25 to 30 per cent discount." Thus it is possible to see 25 per cent growth in absolute terms.

David Tunstall at Smith New Court goes part of the way down this route and is expecting the market to perk up during the second half when there might be higher level of confidence. Smith New Court is not telling clients to stay away from the market.

Like Charterhouse Tilney, Mr Tunstall thinks all adverse news is in the prices. "You don't need to jump in straightaway, but to position yourself for the second half," he suggested.

Many disagree. At UBS Phillips & Drew, the prediction, given the weight of bearish news and the performance of the indices, is that the discount is more likely to be around 37.5 per cent in a year's time.

Laing & Cruickshank asked itself whether Land Securities – which has the weight to shrug off nasty thoughts like recession – is good value on its current discount to net asset value of around 38 per cent.

"We believe that the current price reflects the possibility that the net asset value will be static for two years and then resume growth. It does not discount the possibility of a fall in asset values. . . . Any rise should be taken as a selling opportunity."

Just as Charterhouse Tilney has been the most cheerful of the market pundits, so BZW has been the most dismal. The optimism of Mr Moss has not increased. "We want to be underweight in the sector," because more sector news is likely to emerge over the next six months in the shape of diminishing returns, falling values and further bad bank lending figures. Here then are "the gradations of pessimism," as Chris Williams of Citicorp Scrimgeour Vickers (these days more detached from the market) put it. What, of course, would help to erode that pessimism would be a fall in interest rates. That would be taken as a symbol of possible revival in the economy and a demand for space. It would take financial pressure off some of the second line companies.

But there is a caveat, according to Mr Williams. "If companies get into financial difficulties, that will have more of an impact than a fall in interest rates." It is true that a combination of the high cost of money with a slower market, where more space is becoming available, has made it almost inevitable that there will be a commercial property failure to match the failure of Kentish Homes in the residential sector.

The other side of that is the widely held belief that some merger and takeover activity would enliven the property share market. "There will be casualties among developer-traders and increasing merger activity as they seek a bigger equity base," predicted John Atkins at Phillips & Drew.

There might also be a move to take some companies private: the stock market as a source of capital has virtually dried up, financial scrutiny under present circumstances would be unwelcome to some companies.

At any rate, there is no easy money to be made. This column last week argued the case that, if the Government's economic medicine works, the direct property market should start to perk up in the last quarter of the year. The stock market might then anticipate the changes sometime in the summer.

To the extent that brokers are recommending stocks, there is a tendency to be cautious and go for those with the defensive qualities of an extensive portfolio and a strong balance sheet – sector leaders like Land Securities, MEPC, Hammerson and Slough Estates. But there is a body of opinion behind smaller groups with the same qualities as the leaders – Briston Estate and Great Portland Estates for example.

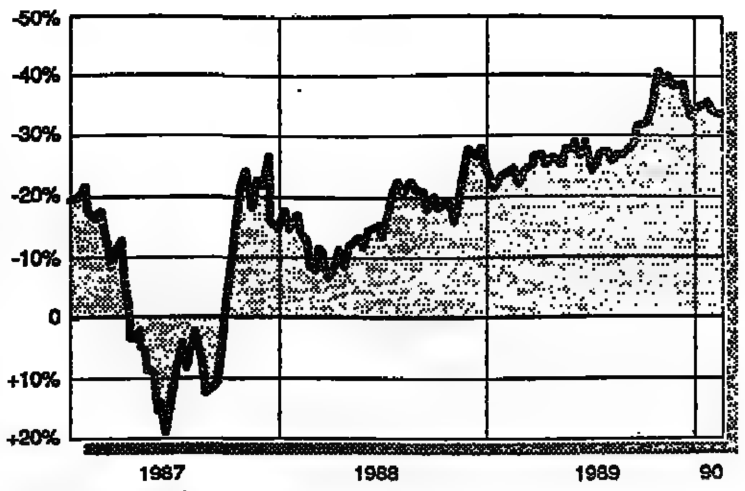
Regalian Properties is tipped by Mr Moss and by Naresh Gudka of Paribas Capital Markets, on the belief presumably that the residential sector might show sparks of revival more quickly than the commercial sector. Mr Gudka also recommends Chesterfield Properties, Palmerston Investments and Rosehaugh.

Capital Growth (%)

	Retail	Office	Industrial	All Property
Year to November 89	6.3	16.8	24.1	13.2
Quarter to November 89	-0.3	2.3	4.1	1.5
Month of November 89	-0.8	0.3	1.1	nil

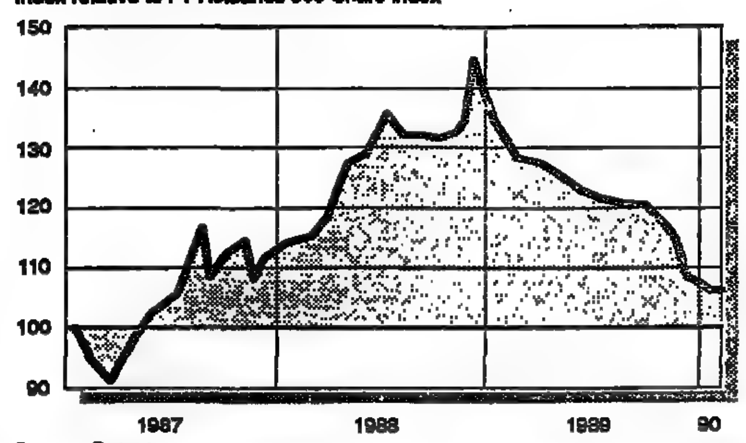
Source: Investment Property Databank

Property shares Discount to estimated net asset value



Source: UBS Phillips & Drew

FT-Actuaries Property sector
Index relative to FT-Actuaries 500-Share index



Source: Datastream

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Further information if required can be obtained from the above-mentioned agents.

Commercial Property in the F.T.

The Financial Times proposes to publish the following surveys in 1990.

26 January	Property Review
9 February	Property Management
23 February	West End & Victoria Property
9 March	Business Rate
20 April	Property in Yorkshire
27 April	Relocation
11 May	Business Parks
25 May	Property in the London Docklands
15 June	Office Property
6 July	Property Investment & Finance
21 September	City of London Property
5 October	Glasgow Property
2 November	Port, Marina & Waterfront Developments
23November	London Mid-Town Property

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Tessa Taylor on 873 3211
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COMMODITIES AND AGRICULTURE

Milk Board backed in EC court

By Tim Dickson in Brussels

CRICKET ST Thomas Estate – the Somerset farm and wildlife park known to millions of viewers as the setting for that popular British TV series "To the Manor Born" – was yesterday caught up in a life courtroom drama in Luxembourg.

Representatives of the dairy farm – which boasts a "top class" herd of 600 cows – waited anxiously as the Advocate General of the European Court of Justice prepared to give his "opinion" on their potentially far-reaching legal challenge to the monopoly purchasing powers of Britain's Milk Marketing Boards.

The case, referred to Luxembourg by the High Court in London, centred mainly on the question of whether the MMBs should be allowed to impose a levy of roughly 4p a litre on milk produced and processed on the Cricket St Thomas estate and delivered directly to the doorsteps of 20,000 households in the area.

Much to the disappointment of the Somerset farm and its supporters, the Advocate General decided that this practice was perfectly in conformity with the privileges granted by the UK Government to the MMBs and confirmed by Brussels regulations after Britain joined the EC in 1973.

Mr John Taylor, owner of the estate, said from his home last night that he was not downhearted. He stressed that the opinion was not binding and voiced his confidence that "when the judges look at the main point of our challenge they will still find in our favour." The final verdict is likely in about three months time.

Somerset Photo News

John Taylor: Stressed opinion was not binding – "Judges. . . will still find in our favour"

The MMBs' monopoly powers include the exclusive right to purchase all milk produced in the UK, and re-sell it at differing prices according to the commercial use to which it is put. In this way a higher price is charged for milk for human consumption than for processing into other products.

The MMBs pay farmers an average price based on these different returns and is allowed to levy a penalty on those who sell direct to the public to reflect the difference between this average price and the higher price received for such direct sales.

Cricket St Thomas argued in the main proceedings that it was selling pasteurised milk and that pasteurisation constituted a process which was not covered by the monopoly.

Much of the Advocate General's opinion is taken up with discussion of this point – and the definition in various Community languages – but he concludes that processing "is used unambiguously in all the language versions except the English to denote precisely *milk which is marketed* in the form of milk and, on the other hand, does not cover milk which has been made into other milk products. The exclusive right of purchase enjoyed by the MMBs. . . applies to liquid milk which is capable of being marketed for human consumption in that form and therefore includes milk which has been pasteurised or subjected to other preservation treatments which are not such as to change its commercial characteristics."

The Opinion also finds that Community law does not preclude the contributions required of milk producers under the MMB system and the penalties prescribed for failure to pay. The argument of the defendant – that they are unlawful inasmuch as they do not represent the value of any services provided – is said to be "not well founded" and the Advocate General suggests that they are necessary to protect the Boards' position.

While there is little legal comfort at this stage for Cricket St Thomas, the Advocate General does not mince his words in describing the monopoly as "typically *dirigiste* and, I might add, corporatist" and points out that it is "also an incomes policy."

Coffee price dips below £600 a tonne

By David Blackwell

COFFEE PRICES closed at fresh 14-year lows yesterday as traders sold into the market to hedge recent large purchases of robusta coffee from Cameroon, a fairly large West African exporter.

The nearby January robusta contract on the London Futures and Options Exchange (Fox) traded as low as £591 a tonne during the day before recovering to £606 a tonne at the close, a fall of £12. March, the second futures position, lost £10 to close at £629 a tonne.

Talk in the market suggested that Cameroon had sold 70,000 tonnes of coffee to two international trade houses. Earlier this week the country said its coffee output for 1988-89 was 33 per cent up at 137,578 tonnes, comprising 121,655 tonnes of robusta and 15,923 tonnes of arabica.

The fall in prices triggered stop-loss and fund selling, dealers said yesterday.

In its latest report on the coffee market, E.D. & F. Man, the London broker, said that robustas were "an extremely attractive buy" at current prices, but that producers would sell into any rally.

"Unfortunately the longer term view is even more pessimistic, with expected good crops from April onwards from Indonesia and Brazil and the continuous offer of coffee from West Africa."

Tin producers study plan for further reductions in exports

By Lim Siong Hoon, in Kuala Lumpur

DELEGATES AT this week's working committee meeting of the Association of Tin Producing Countries are studying a Malaysian plan to cut back exports by 5 to 10 per cent, depending on the level of stocks, in an effort to reverse the recent plunge in tin prices.

Last year's optimism that the tin market would soon return to a supply and demand balance has evaporated as the association's export quota scheme has lost its grip on the market. And the tin price has tumbled by 40 per cent since touching R29.15 a kilogram ($10,700 a tonne) last April.

Six months ago, the association pronounced that its "supply rationalisation" (export quota) scheme was working towards the desired result. World stocks, which had been 73,000 tonnes in March, 1987, were put at about 30,000 tonnes (including 7,000 tonnes tied up in the International Tin Council litigation) and were depleting fast, at a rate of about 1,700 tonnes a month. So prices were expected to stay relatively high; above R24 a kilogram was the widely-quoted estimate.

By early October, however, when ministers of the ATPC, Brazil and China – two observer countries which have co-operated with the quota scheme – met in Bangkok the price had fallen to R22.

Since then the market picture has again altered drastically. The spot price in the Kuala Lumpur Tin Market closed yesterday at R18.19 a kilogram, having dipped last month to less than R17, the lowest level since 1988.

Association members are now reassessing the three-year-old export quota programme. The current scheme, which expires on February 28, restricts exports among by the seven members – Australia, Bolivia, Indonesia, Malaysia, Nigeria, Thailand, and Zaire, to 106,400 tonnes. Brazil is allocated 31,500 tonnes, and China 10,000 tonnes.

The ATPC has not released an updated stocks figure but 36,000 tonnes has been bandied about this week indicating that extra supplies have been lured into the market by high prices over the past year. And out of court settlement of the ITC litigation means that the 7,000 tonnes of locked-up stocks could begin coming onto the market after March, provided that the debtors, Malaysia and Thailand included, pay up on time.

Brazil and China are said to be the top producers with about 44,000 tonnes and 40,000 tonnes respectively. But China's output cannot be certain and is probably inconsequential to the ATPC's efforts since the bulk of it is used domestically. Its exports from January to June last year, according to the ATPC, totalled just 8,571 tonnes.

Brazil says it has tried to keep its bargain with the ATPC. After all, it is, like China, simply an observer. The problem with Brazil is that production by the garimperos, the numerous independent miners scattered in the country, is difficult to supervise. Controlling their sale is even more difficult. By Brazilian estimates, 7,000 to 9,000 tonnes have been smuggled into Peru (not an ATPC member) and Bolivia.

In its efforts to make the supply rationalisation scheme work the ATPC is now concentrating more on problems within its own membership (smuggling, statistical discrepancies, compliance etc.) rather than on trying to bring pressure to bear on Brazil, which has spurned all approaches for it to join the ATPC.

Members of the association will have to agree on who is producing, and exporting, how much before they can tackle the overproduction problem effectively. Without these statistics, such as the actual surplus stock level, there will be little to go by in extending the scheme the fourth year. So establishing correct figures without embarrassing anyone has been a preoccupation in this week's *Kuala Lumpur* talks.

Until quite recently, the association believed that its efforts had brought the market round to near "normalcy," meaning a supply/demand balance and a stock level of 20,000 tonnes. But the market has displayed once again its unpredictability and the near-impossibility of regulating it – especially for a body without any real policing powers.

Problems pile up for New Zealand's troubled wool industry

With output down and prices low **Dai Hayward** looks at the outlook for the present marketing season

A DRAMATIC drop in production, lower wool prices, the emergence of the Soviet Union as its biggest customer and the continued absence of China as a major buyer, are the main factors affecting the outlook for the New Zealand wool industry in 1990.

Wool production this season will be down at least 10 per cent – a loss of 25,000 tonnes compared with last season's 255,000 tonne clip. This reflects some of the knock-on effects of the disastrous drought in the 1988-89 season. Tens of thousands of sheep died of starvation or were slaughtered and buried on farms where feed had disappeared.

Although sheep numbers will start building again in 1990 it will be at least a year before there is any significant recovery in the size of the national sheep flock and two years or more before it regains the numbers lost through the drought.

In a normal trading year reduced supply could boost prices but 1989 has not been a normal year in the New Zealand wool sales.

The virtual withdrawal from the auction ring of China, which had become the country's biggest customer was a major blow. In 1988 sales of New Zealand wool to China rocketed – the result of almost frenzied buying by agents for Chinese mills which accumulated big stocks. Even the Chinese consumers, the housewives who use large quantities of New Zealand wool in the form of home knitting yarn, stocked up on supplies as a hedge against inflation which was a novel experience for them.

Then early in 1989 came the credit squeeze in China and a dramatic fall in wool buying. In the 1988-89 season China bought more than twice as much New Zealand wool as the next best customer. This season its buying will be down by two thirds or even more.

Although the New Zealand Council of Wool Exporters is optimistic that some of the delayed buying contracts with China will be reactivated in 1990, individual wool exporters and wool board marketing executives do not believe there will be any substantial buying orders from China until well into late 1990.

During the past few months prices for New Zealand wool have slipped and there are few signs indicating a substantial recovery in the first half of 1990.

In the coming year buyers can expect continued competition from the New Zealand Wool Board. It will step into the market to maintain prices at what it considers to be a reasonable level. The board had a stockpile of 100,000 bales at the start of the current season in July. It has been a steady buyer and seller, often acquiring up to a quarter or more of the wool on offer at some sale. On present trends the board's stockpile will increase to 200,000 bales by next July.

Taking a realistic view of world trends and market conditions, the board has allowed prices for New Zealand wool to fall about 10 per cent across the range.

Changing buying patterns have produced changes in New Zealand's customer ratings. The Soviet Union has been the country's most consistent customer over the past 10 to 15 years and in 1990 looks likely to become the biggest individual buyer of its wool.

Sales to Western Europe are also being affected by the slowdown in China because several firms in Germany and other industrialised countries were buying New Zealand wool for re-export to China as manufactured textiles. Now with a decline in China's trade they no longer need as much raw wool.

In the UK increased home production, encouraged by the European Community's sheepmeat regime, has also reduced demand for New Zealand wool from UK mills. The country's share of the UK market is expected to decline further during 1990.

The New Zealand wool industry hopes that the recent trend to bigger sales to India, Iran and Pakistan, will continue in 1990 to help compensate for the slower demand from other countries. Iran which is trying to rebuild its carpet industry could be a steady buyer of New Zealand wool in the coming year.

Although New Zealand produces mainly coarse type wools, used in carpet making and heavy textiles, the country's market and wool prices have also been affected by the surge in production of fine wools and the resulting growth in Australia's stockpile. Many factors, including a good growing season and poorer returns for wheat, which encouraged many Australian farmers to switch to wool, led to the big jump in Australian fine wool production.

The additional Australian production was greater than the growth in world consumer demand. With so much extra wool flowing into the sales ring the Australian Wool Board itself had to buy large quantities and now has a stockpile of around 1.5m bales. The existence of this stockpile in itself has a depressing effect on wool prices and New Zealand woolmen are concerned that this will weigh down the price of their coarse wool, already down from last season's level.

The New Zealand Wool Board, however, will not allow prices in the auction rings to slip too far – even if it means acquiring a much bigger stockpile than it anticipates at present. In the closing sales of the year it bought 31 per cent of the wool on offer at the Napier sale and half of the offering at the Invercargill sale. This reflects its determination to ensure that the country's growers receive a reasonable return for their wool and enable them to weather the current spate of adverse conditions.

Farmers welcome extra 'cattle madness' reseach

By Bridget Bloom, Agriculture Correspondent

THE BRITISH Government's decision to spend nearly £12.5m on research into the "cattle madness" disease, bovine spongiform encephalopathy, was welcomed yesterday in British farming circles.

The National Farmers' Union, while reiterating that there was no evidence that BSE was transmissible to humans, said it was clearly sensible to initiate a research programme which could remove any uncertainty.

Since its appearance 1986, BSE has affected 9,048 cows on 5,301 farms in Britain. The disease, which attacks a cow's nervous system appears unique to the UK.

Clearly concerned about the lack of knowledge about BSE, the Government earlier this week announced that this year's research programme of £1.3m would be greatly expanded to around £4m in each of the next three years.

The Ministry of Agriculture and the Department of Education and Science, via the Agricultural and Food Research Council, will be responsible for funding two programmes, worth £6.1m and £6.3m.

It is understood that the programme funded by the Agriculture Ministry will concentrate on the epidemiology of the disease – its origins and how it is spread – as well as on the means of containing it.

The AFRC will be responsible for the more fundamental aspects of BSE, including the nature of the infectious agent which induces changes in normal brain proteins, and the possible relationship to scrapie, a brain disease of sheep, and to Creutzfeldt-Jakob disease, the rare human encephalopathy.

Hitherto research has concentrated on what government scientists have considered the most likely cause of BSE, animal feed containing the remains of sheep suffering from scrapie, which is not transferable to humans.

WORLD COMMODITIES PRICES

LONDON MARKETS

GOLD closed slightly below the day's highs on the bullion market at $412.50 an ounce, a rise of $3.25. Profit-taking emerged on both sides of the Atlantic after the price hit a three-week high of around $414.50 in the morning. Sentiment remains bullish and gold could test $415 and then $420 in the short-term, dealers said. Wednesday's news that the Soviet Union was to raise domestic gold prices by 50 per cent fuelled Comex trading overnight and prompted follow-through interest in London yesterday morning. Cocoa prices advanced, May closing at the highest level for a month. Dealers said chart-based buying and industry price fixing helped to absorb trade hedge selling. On the LME tin prices were again sharply down on merchant liquidation and selling. The gains made earlier in the week have now been wiped out.

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$17.50-7.65w	
Brent Blend	$21.00-1.10w	-.075
W.T.I. (1 pm est)	[illegible]	+0.31
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$217-219	+2
Gas Oil	$194-195	+6
Heavy Fuel Oil	$101-103	
Naphtha	$191-193	+5
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$412.50	[illegible]
Silver (per troy oz)♣	533c	+4
Platinum (per troy oz)	$498.25	[illegible]
Palladium (per troy oz)	$135.65	-0.20
Aluminium (free market)	$1580	
Copper (US Producer)	114⅝-117c	
Lead (US Producer)	39.5c	
Nickel (free market)	355c	
Tin (Kuala Lumpur market)	18.09r	-0.46
Tin (New York)	303c	[illegible]
Zinc (US Prime Western)	70¼c	
Cattle (live weight)†	111.90p	-2.63*
Sheep (dead weight)†	195.80p	-12.9*
Pigs (live weight)†	74.88p	-7.49*
London daily sugar (raw)	$346.6t	+0.6
London daily sugar (white)	$430t	+11
Tate and Lyle export price	£323	+1
Barley (English feed)	£117	-1
Maize (US No. 3 yellow)	£129	
Wheat (US Dark Northern)	£130	-2
Rubber (spot)♥	53p	
Rubber (Feb)♥	55.5p	
Rubber (Mar)♥	56.5p	
Rubber (KL RSS No 1 Feb)	223.5m	-0.5
Coconut oil (Philippines)§	$435.0t	-7.5
Palm Oil (Malaysian)§	$277.5	-5.0
Copra (Philippines)§	$260	
Soyabeans (US)	£170.5	[illegible]
Cotton "A" index	73.85c	-0.80
Wooltops (64s Super)	573p	+3

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. y-Oct. x-Dec/Jan. t-Jan/Feb. v-Jan/Mar. w-Feb. z-Mar. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg.

COCOA – London FOX £/tonne

	Close	Previous	High/Low
Mar	642	631	644 632
May	654	642	656 644
Jul	666	653	668 657
Sep	682	671	685 674
Dec	701	694	704 696
Mar	717	711	720 711
May	730	724	734 727

Turnover: 10267 (4597) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Jan 10 754.70 (743.00):10 day average for Jan 11 738.39 (735.11)

COFFEE – London FOX £/tonne

	Close	Previous	High/Low
Jan	606	618	617 591
Mar	629	639	638 612
May	641	650	652 627
Jul	657	665	[illegible]
Sep	673	683	682 665
Nov	695	703	701 684
Jan	710	722	718 710

Turnover: 8148 (3782) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Jan 10: Comp. daily 64.56 (64.82). 15 day average 63.24 (62.99)

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
Mar	320.60	[illegible]	[illegible]
May	320.60	321.00	323.00 319.00
Aug	317.40	317.80	[illegible]
Oct	[illegible]	311.60	312.40 310.00
Dec	312.20	308.00	305.00
Mar	293.60	[illegible]	294.00 292.00
White	**Close**	**Previous**	**High/Low**
Mar	426.50	424.50	428.00 422.50
May	423.00	421.00	424.00 419.00
Aug	421.20	420.50	423.50 418.50
Oct	397.90	397.00	399.50 395.00
Dec	370.70	372.00	370.50 370.50
Mar	368.70	369.00	370.50 367.50

Turnover: Raw 5848 (5898) lots of 50 tonnes. White 1854 (3325)
Paris- White (FFr per tonne): Mar 2450, May 2440, Aug 2449, Oct 2325, Dec 2210, Mar 2200.

CRUDE OIL – IPE $/barrel

	Close	Previous	High/Low
Mar	20.20	19.88	20.21 19.78
Apr	[illegible]	19.28	19.55 19.22
May	18.98	18.80	18.98 18.93
IPE Index	20.91	20.12	

Turnover: 14612 (10451)

GAS OIL – IPE $/tonne

	Close	Previous	High/Low
Feb	190.25	184.25	190.50 185.25
Mar	178.75	176.50	180.50 175.50
Apr	170.50	168.00	172.50 167.50
May	167.00	167.00	169.50 165.50
Jun	169.00	163.00	167.50 164.00
Jul	164.25	161.75	165.75 165.00

Turnover 10787 (12156) lots of 100 tonnes

INDICES

REUTERS (Base: September 18 1931 = 100)			
Jan 10	Jan 9	mnth ago	yr ago
1818.5	1815.2	1806.5	1985.4

DOW JONES (Base: Dec. 31 1974 = 100)	Jan 10	Jan 9	mnth ago	yr ago
Spot	127.86	126.15	127.98	140.28
Futures	130.86	130.82	130.02	143.57

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Ring turnover 14,025 tonne
Cash	1562-4	1583-5		1578-8		
3 months	1569-70	1591-2	1593/1587	1585-6	1572-4	38,828 lots
Copper, Grade A (£ per tonne)						Ring turnover 15,500 tonne
Cash	1502-3	[illegible]	1506/1499	1505-7		
3 months	1504-5	1502-3	1509/1502	1507-8	1502-3	65,604 lots
Lead (£ per tonne)						Ring turnover [illegible] tonne
Cash	431-3	437-8	431	430-2		
3 months	428.5-8.5	430-1	434/428	428.5-8	430-1	10,360 lots
Nickel ($ per tonne)						Ring turnover 792 tonne
Cash	7625-75	7850-700	7700/7650	7690-700		
3 months	7450-60	7500-25	7550/7450	7475-80	7450-75	6,220 lots
Tin ($ per tonne)						Ring turnover 910 tonne
Cash	6650-60	6800-25		6810-20		
3 months	6770-90	6925-40	6900/6710	6715-25	6700-5	8,448 lots
Zinc, Special High Grade ($ per tonne)						Ring turnover 14,650 tonne
Cash	1308-12	1325-30	1320/1310	1310-2		
3 months	1299-300	[illegible]	1310/1295	1300-5	1297-300	15,298 lots
Zinc ($ per tonne)						Ring turnover 1,100 tonne
Cash	[illegible]	1305-15		1320-30		
March 30	1270-80	1265-75		1280-90		1,384lots

LME Closing £/$ rate:
SPOT: 1.6570 3 months: [illegible] 6 months: [illegible] 9 months: [illegible]

POTATOES – BFE £/tonne

	Close	Previous	High/Low
Feb	145.0	145.0	
Apr	203.1	200.0	204.5 202.5
May	228.5	225.5	228.5 228.0

Turnover 254 (63) lots of 40 tonnes.

SOYABEAN MEAL – BFE £/tonne

	Close	Previous	High/Low
Feb	137.50	137.50	
Apr	138.50	138.00	
Jun	136.00	136.00	

Turnover 0 (50) lots of 20 tonnes.

FREIGHT FUTURES – BFE $10/index point

	Close	Previous	High/Low
Jan	1678	1680	1675 1669
Feb	1690	1689	1690 1683
Apr	1694	1693	1694 1696
Jul	1439	1439	1439 1435
BFI	1655	1652	

Turnover 263 (392)

GRAINS – BFE £/tonne

Wheat	Close	Previous	High/Low
Jan	113.40	113.40	113.20 113.00
Mar	116.90	116.75	116.50 116.25
May	120.40	120.50	120.40 120.00
Jun	122.00	122.00	
Sep	105.55	105.85	
Nov	109.00	109.00	109.00
Barley	**Close**	**Previous**	**High/Low**
Jan	110.65	110.95	110.50 110.45
Mar	114.45	112.55	112.25 112.10
May	114.40	114.45	114.20

Turnover: Wheat 344 (390), Barley 82 (75).
Turnover lots of 100 tonnes.

PIGS – BFE (Cash Settlement) p/kg

	Close	Previous	High/Low
Feb	105.5	105.0	105.5 105.0
Apr	107.5	107.5	107.0
Jun	107.0	107.5	

Turnover 71 (42) lots of 3,250 kg

LONDON BULLION MARKET

Gold (fine oz)	$ price	£ equivalent
Close	412¼-412¾	248½-249
Opening	411¾-412	[illegible]
Morning fix	413.25	249.909
Afternoon fix	412.1	248.537
Day's high	414¼-414¾	
Day's low	410¼-411	
Coins	**$ price**	**£ equivalent**
Mapleleaf	421-426	254-257
Britannia	421-426	254-257
US Eagle	421-426	254-257
Angel	[illegible]	255-258
Krugerrand	411-414	248-250
New Sov.	[illegible]	[illegible]
Old Sov.	[illegible]	[illegible]
Noble Plat	504.2-512.2	304.3-309.1
Silver fix	**p/fine oz**	**US cts equiv**
Spot	320.50	531.25
3 months	332.45	542.05
6 months	344.35	558.75
12 months	367.35	574.75

TRADED OPTIONS

[illegible]

US MARKETS

SIDEWAYS ACTION was featured in the precious metals ahead of Fridays economic data, reports Drexel Burnham Lambert. Local traders made up most of the light volume. Copper futures gained 110 basis March after a very quiet session. In the softs, cocoa had the most active day as prices rose 39 basis March. Heavy buying lifted the volume to 14,291. Coffee was lower due to origin selling and speculative sell stops. Sugar prices swayed around unchanged levels for most of the day. All of the livestocks advanced led by the bellies. Scattered short covering lifted the February contract 160. Live hogs and cattle gained from spillover buying. The grain markets were all quiet as many await the crop report. Profit taking continued to pressure orange juice futures while speculative activity firmed the cotton. The energy complex remained higher due to the recent bullish API reports. Gasoline and heating oil were again the most active markets.

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Jan	414.0	412.4	412.0	412.0
Feb	415.6	414.2	415.8	413.2
Mar	418.0	416.5	0	0
Apr	420.9	419.4	421.3	418.5
Jun	425.8	424.3	426.3	423.3
Aug	430.5	429.0	430.5	429.2
Oct	435.4	433.8	0	0
Dec	440.4	438.8	440.0	438.0
Feb	445.6	444.0	445.5	445.5

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Jan	496.1	497.9	499.0	496.0
Apr	503.6	505.4	505.8	502.6
Jul	510.2	512.0	511.5	510.5
Oct	517.7	519.8	0	0
Jan	525.1	527.8	525.6	525.6

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Jan	530.6	530.6	0	0
Feb	532.4	532.7	0	0
Mar	536.5	536.8	541.0	534.5
May	544.6	544.9	549.0	543.0
Jul	552.5	552.7	556.0	552.0
Sep	560.7	560.9	562.0	561.2
Dec	572.0	572.2	575.0	570.0
Jan	575.5	575.7	0	0
Mar	583.7	583.9	586.5	586.5
May	591.5	591.7	0	0

FRUIT AND VEGETABLES
Bananas are the ideal fruit to help you relax if christmas has been a bit too stressful, and at only 38-55p a lb (38-58p) they are excellent value, reports FFVIB. White fleshed grapefruit at 10-25p and pink varieties at 20-40p are a good buy. Cox's apples are 35-45p a lb and English Bramley's 30-38p. Oranges are 10-15p each, kiwifruit 12-25p (12-20p) and pineapples £1.10-2.40. Cabbages are 20-30p a lb. Dutch carrots 10-28p and English 15-25p. Brussels Sprouts are 30-50p, parsnips 25-40p, mushrooms 35-70p a ½lb (35-75p). Round lettuces are 20-40p each. Cucumbers are 50-70p and tomatoes 55-60p a lb.

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jan	[illegible]	108.70	109.80	109.00
Feb	109.50	108.60	109.70	108.90
Mar	109.20	[illegible]	109.80	108.65
Apr	108.00	106.90	0	0
May–Oct	[illegible]			

CRUDE OIL (Light) 42,000 US galls $/barrel

[illegible]

HEATING OIL 42,000 US galls, cents/US galls

[illegible]

COCOA 10 tonnes;$/tonnes

[illegible]

COFFEE "C" 37,500lbs; cents/lbs

[illegible]

SUGAR WORLD "11" 112,000 lbs; cents/lbs

[illegible]

COTTON 50,000; cents/lbs

[illegible]

ORANGE JUICE 15,000 lbs; cents/lbs

[illegible]

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Jan	569/6	567/2	570/6	569/0
Mar–Nov	[illegible]			

SOYABEAN OIL 60,000 lbs; cents/lb

[illegible]

SOYABEAN MEAL 100 tons; $/ton

[illegible]

MAIZE 5,000 bu min; cents/56lb bushel

[illegible]

WHEAT 5,000 bu min; cents/60lb-bushel

[illegible]

LIVE CATTLE 40,000 lbs; cents/lbs

[illegible]

LIVE HOGS 30,000 lb; cents/lbs

[illegible]

PORK BELLIES 40,000 lbs; cents/lb

[illegible]

LONDON STOCK EXCHANGE

Recovery in Index and trading levels

IN WHAT was deemed its best trading session so far this year, the UK stock market yesterday bounced back convincingly from an early test of the Footsie 2,400 mark, helped by several trading programmes and by selective but solid support from investment institutions.

The final gain on the FT-SE Index was only five points, but traders were impressed by the significant increase in trading volume; "the first genuine stockbroking day we've had in 1990," commented a trader at a large US securities house.

Early dealings saw the market down by more than 16 Footsie points to 2,396.5 as equities reacted to further weakness in New York, to cost-cutting plans at ICI, the chemicals group, and to the rejection of a 10.2 per cent wage offer by Ford Motor workers.

Account Dealing Dates		
*First Dealings:		
Dec 27	Jan 15	Jan 29
Option Declarations:		
Jan 11	Jan 25	Feb 8
Last Dealings:		
Jan 12	Jan 26	Feb 9
Account Day:		
Jan 22	Feb 5	Feb 19

*New time dealings may take place from 9.00 am two business days earlier

But the turning point came when Salomon International, the US-based investment house, entered the market with a £50m programme, ranging widely across the oils, banks and building shares, and weighted towards the buy side. Seaq-reported trading volume more than trebled within an hour.

Other trading programmes then came into the market, the most notable being a smallish two-way operation reportedly by Smith New Court. But traders stressed that a healthy two-way business also came direct from the institutions, which indicated that Footsie 2,400 may have become the lower end of a new trading range.

At the close, the FT-SE was 5.3 up at 2,417.9, having failed to hold a mid-session peak of 2,421 despite a firm opening on Wall Street. The most impressive feature of the day was the Seaq volume total of 578.8m shares, the highest this week.

Despite general satisfaction with yesterday's performance, market strategists remained cautious on near-term prospects. The Kleinwort Benson team doubted whether the Footsie "will be much higher than 2,400 by the end of March," with worries over UK wage negotiations likely to cause volatile trading in the 2,300-2,400 range. Earlier this week, Warburg Securities predicted that the Footsie will still be in the 2,450-2,550 range at the middle of the year.

Today brings the close of the extended – and highly successful – equity trading account. While there are handsome profits to be taken on the 4.8 per cent gain achieved in the Footsie during December, institutions appear unwilling to sell stock or to let the market fall very far before picking up lines of shares on offer.

The market's continued uncertainty was reflected in further hints of either impending rights issues from leading companies and of takeover moves. The corporate reporting seasons on both sides of the Atlantic also give cause for a mood of caution.

FINANCIAL TIMES STOCK INDICES

	Jan 11	Jan 10	Jan 9	Jan 8	Jan 5	Year Ago	1989/90 High	1989/90 Low	Since Compilation High	Since Compilation Low
Government Secs	82.94	82.98	83.37	83.58	84.10	87.05	89.29 (8/2/89)	82.93 (4/12/89)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	92.55	92.62	92.83	92.91	92.71	96.56	99.58 (15/3/89)	92.02 (8/12/89)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary Share	1940.5	1936.4	1958.5	1945.0	1948.8	1511.9	2008.6 (5/9/89)	1447.8 (3/1/89)	2008.6 (5/9/89)	49.4 (26/6/40)
Gold Mines	337.8	322.4	316.1	315.6	306.4	163.8	337.8 (11/1/90)	154.7 (17/2/89)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2417.9	2412.6	2436.3	2431.3	2444.5	1650.9	2463.7 (3/1/90)	1782.8 (3/1/89)	2463.7 (3/1/90)	986.9 (23/7/84)
Ord. Div. Yield	4.40	4.40	4.38	4.39	4.38	4.84				
Earning Yld %(full)	10.72	10.73	10.63	10.71	10.67	12.16				
P/E Ratio(Net)(*)	11.29	11.28	11.39	11.30	11.35	9.84				
SEAQ Bargains(5pm)	32,618	29,582	30,780	34,211	41,257	28,073				
Equity Turnover(£m)†	-	938.72	977.56	752.77	1013.53	1031.66				
Equity Bargains†	-	30,914	33,063	35,487	44,161	31,647				
Shares Traded (ml)†	-	423.8	414.5	315.6	407.8	745.9				

Basis 100 Govt. Secs 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83. ☆ Nil 11.24

Ordinary Share index, Hourly changes — Day's High 1941.9 — Day's Low 1924.4

Open	10 a.m.	11 a.m.	12 p.m.	1 p.m.	2 p.m.	3 p.m.	4 p.m.
1924.7	1932.4	1936.4	1939.8	1940.0	1940.3	1939.1	1938.3

FT-SE, Hourly changes — Day's High 2421.0 — Day's Low 2396.5

Open	10 a.m.	11 a.m.	12 p.m.	1 p.m.	2 p.m.	3 p.m.	4 p.m.
2396.7	2406.9	2415.0	2419.5	2418.6	2418.7	2417.3	2416.2

GILT EDGED ACTIVITY

Indices*	Jan 10	Jan 9
Gilt Edged Bargains	78.2	74.0
5-Day average	82.2	81.4

*SE Activity 1974. †Excluding intra-market business & Overseas turnover. Calculation of the FT Indices of daily Equity Bargains and Equity Value and of the five-day averages of Equity Bargains and Equity Value, was discontinued on July 31. Closing values for July 28 available on request.
London report and latest Share index: Tel 0898 123001.

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change		Volume 000's	Closing Price	Day's change
ADT	3,150	200	+5	Comm. Union	754	498	−2	Lloyds Bank	1,400	446	−1	Sears	2,500	110	−1
ASDA Group	2,500	122		Cookson	1,400	268	+8	LASMO	500	590	+1	Sedgwick	975	300	−1
Abbey National	3,300	156	−2	Courtaulds	1,700	398½	+6½	Lonrho	4,100	314	+5	Shell Transport	6,800	467	+2
Allied-Lyons	2,711	519	+4	Dalgety	497	396	+4	Lucas	657	660	+7	Siebe	314	485	+3
Amstrad	3,000	50	+1	Dixons	3,100	134	−4	MB Group	6,500	224	+9	Slough Ests	335	300	+1
Argyll Group	4,800	214	+5	Eng. China Clays	418	470	+1	MEPC	975	532	−4	Smith (W H) A	230	350	−7
Ass. Brit. Foods	333	423	+4	Enterprise Oil	461	649	−3	Marks & Spencer	2,400	206	−3	Smith & Nephew	3,500	134	−2
BAA	698	351		FKI	2,400	89	−2	Maxwell Comm.	1,300	225	+4	Smkl Beecham	2,100	610	+3
BAT Inds.	2,100	834	−4	Ferranti	5,700	37		Mecca Leisure	908	168	−2	Smkl Beecham Units	339	598	−2
BET	4,916	268	+4	Fisons	1,900	537	+3	Midland Bank	945	374	−1	Smiths Inds.	372	390	−1
BICC	526	476	+1	Gen. Accident	672	1158	−7	NatWest Bank	2,500	340	−1	Standard Chartd.	1,007	656	−3
BOC	677	667		General Elect.	9,400	238	−1	Next	6,650	100½	+4½	Storehouse	880	123	−1
BPB Inds.	1,600	249	−1	Glaxo	3,700	802	+4	Northern Foods	225	324	+2	Sun Alliance	1,700	801	−4
BTR	1,600	461	+4	Globe Inv.	165	193½	+1	Pearl	5	629		Sun Life	7	1310	
Barclays	1,200	566	−1	Glynwed Int.	3,100	261	−2	Pearson	204	760	−9	TSN	399	216	−3
Bass	644	1053		Granada	653	348	+3	P & O	345	648	+1	TI Group	1,200	409	−1
Beazer	1,000	173	−1	Grand Met.	4,700	646	−3	Pilkington	1,800	238	+3	TSB	16,383	136½	+3½
Berisford Int.	112	140		GUS A	479	1078	−11	Polly Peck Intl	3,200	409	−2	Tarmac	3,500	259	+1
Blue Arrow	629	92½	−1	GRE	503	248		Prudential	4,100	216½	−5½	Tate & Lyle	679	340	+4
Blue Circle	2,400	255	+1	GKN	857	442	−8	RHM	581	437	+8	Taylor Woodrow	787	319	−5
Boots	1,100	270	−1	Guinness	2,400	669	+2	RMC	1,000	779	+1	Tesco	4,100	192	+3
Brit. & Comm.	489	95	−2	Hammerson 'A'	175	824	−3	RTZ	1,500	593	+10	Thames Water	3,100	159½	+3½
Brit. Aerospace	229	575	+2	Hanson	10,000	237½	+2½	Racal	4,600	241	−6	THORN EMI	1,600	802	−13
British Airways	4,800	251	+7	Hanson Warrants	3,900	61½	+½	Racal Telecom	940	393	+1	Trafalgar House	2,930	367	−6
British Gas	16,000	226	+½	Harrisons Cros.	479	164	−3	Rank Org.	976	853	−6	Trusthouse Forte	2,700	305	−6
British Land	945	390	+1	Hawker Sidd.	345	707	−2	Reckitt & Colman	349	1251	−7	Ultramar	2,300	372	+5
BP	14,000	336	+5	Hillsdown	1,600	286	−3	Redland	1,300	611	+14	Unigate	107	344	
British Steel	11,000	140½	−1½	IMI	1,000	228	−1	Reed Intl	1,800	457	+5	Unilever	868	604	+3
British Telecom	4,900	304	+3	ICI	2,800	1182	−8	Reuters	1,500	1062	+10	United Biscuits	1,800	357	+3
Bunzl	1,800	175	+1	Inchcape	4,500	[illegible]	[illegible]	Rolls Royce	4,400	192	+3	Utd Newspapers	754	469	+7
Burmah Oil	186	664	−1	Jaguar	30	849		Rothmans	1,068	675	−5	Wellcome	1,500	769	+11
Burton	1,500	216	−2	Kingfisher	1,900	302	−1	Ryl Bk Scotland	2,300	206	+3	Whitbread 'A'	1,300	419	+3
Cable & Wire.	2,100	563		Ladbroke	2,200	335	−5	Royal Insurance	2,700	536	+3	Williams Hldgs	749	298	−4
Cadburys	1,580	362	+8	Land Securities	1,300	[illegible]	−6	STC	2,200	277	+1	Willis Faber	866	262	+10
Calor Group	275	384	−3	Laporte	286	511	+8	Saatchi	307	268	+6	Wimpey	1,100	264	−1
Carlton Comms.	1,600	786	−4	Legal & General	2,000	421	−5	Sainsbury	2,100	267					
Coats Viyella	561	164	+1	Lloyds Abbey	2,100	330	−5	Scottish & New.	904	366	−1				

Based on trading volume for most Alpha securities dealt through the SEAQ system yesterday until 5 pm

Market expected TSB fall

TSB, the high street banking group, was among the market's biggest traded stocks yesterday after announcing preliminary figures showing pre-tax profits more than 60 per cent down on last year.

The shares settled 4 up at 137p, after touching 138p, on turnover of 17m. Dealers and analysts re-iterating the view that that the steep decline in profits had been anticipated by the market. They also pointed out that TSB was seeking shareholder approval to buy in up to 15 per cent of the its shares.

The group revealed that pre-tax profits were £155m, after the group had made provisions totalling £201m. These included £125m for reorganisation costs, £76m put aside to account for swap and swap options contracts carried out on behalf of local authorities and which were ruled as illegal by a London court last year.

Bulls of the stock said that with the restriction on potential predators buying more than a 5 per cent stake in TSB running out in September 1991, there could be more speculative support for the shares. The bears, however, said the stock had outperformed the market by 10 per cent and that there were better opportunities elsewhere in banks. Analysts were said to be busy increasing their profits estimates for 1990 to around the £410m to £430m mark.

RHM active

Ranks Hovis MacDougall (RHM) led buoyant food shares higher. Dealers said that investors were selectively buying the blue chips of the sector and that RHM was being singled out on speculative grounds. The story exciting interest was that Sunningdale, an investment vehicle run by Sir James Goldsmith, might sell its 29.9 per cent stake in RHM to Hanson, which might then launch a takeover bid for the food company. That stake is worth about £440m at the current share price.

Dealers were sceptical, although they acknowledged the logic of the notion. Hanson on Wednesday forecast a 22 per cent rise in its dividend in an effort to get holders of convertible loan stock to switch into shares. This could raise up to £1bn for Hanson, which already has a £1bn cash position.

The low trading volume of 581,000 RHM shares inclined dealer to prefer another explanation. They said that bid talk in Cadbury-Schweppes over recent weeks had faded and that speculators were casting about for alternative takeover targets. RHM ended 8 up at 437p, while Hanson continued Wednesday's good performance, rising another 2¼ to 237½p on busy turnover of 10m shares.

BP mystery

BP ran firmer as the market picked up a hint that the company had made a significant oil discovery in the Gulf of Mexico. BP refused to comment.

The shares which had eased to 329p in early trade, advanced to 337p as the oil find stories did the rounds, triggering some substantial individual trades in the process, before closing a shade off the top at 336p, for a net gain of 5. By the close 14m BP had changed hands, well up even on the recent higher levels of business in the stock. Daily turnover of 10m is not unusual in BP.

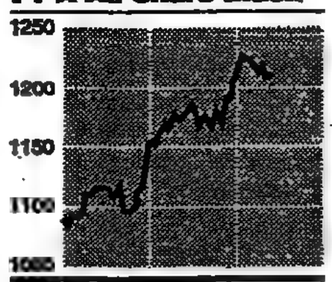
Talk of the oil find was said by traders to have emanated from one of the overseas-owned securities houses. Oil company specialists said the discovery, said to contain between 200m and 1bn barrels of oil and to have been made in Mississippi Canyon Block 109, was perfectly feasible. "If it's a ramp they certainly picked the time, the place and the size," said one.

British & Commonwealth eased 2 to 95p as BZW reduced its profit forecasts for the group. The securities house expects the group to maintain the dividend and rates the shares a buy. BZW downgraded its 1989 forecast from £104m to £95m and for 1990 from £120m to £110m.

There was more nervousness regarding the life assurance sector which has been rated as vulnerable by a number of securities houses. Legal & General fell 5 more to 421p, while Prudential dipped 5¼ to 216½p.

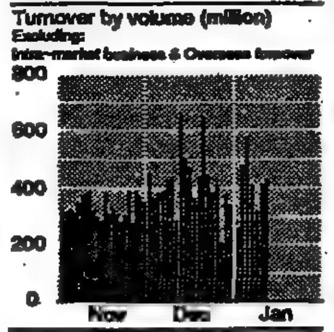
Dewey Warren shares advanced 13 to 128p after revealing it had received a number of approaches which could lead to a bid. Dewey, formerly a Lloyds broker, has had a chequered career in recent years. It was originally chosen by Mr Robert Holmes à Court, the Australian entrepreneur, as his vehicle for expansion in the UK financial services arena. Mr Holmes à Court subsequently sold a 30 per cent-plus stake in the group to Mr Alan Bond, who in turn sold out to Robert Fraser Group the merchant bank which it was intended would be reversed into Dewey. This plan was also abandoned.

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)
Excluding:
Intra-market business & Overseas turnover



PWS, the insurance broker, rose 4 to 56p after announcing preliminary profits up from £1.5m to £1.7m.

BP did not monopolise the action in the oil and gas sector. British Gas attracted even bigger turnover of 16m with the stock settling a fraction harder at 226p, after being as low as 222p early in the day. Shell managed a gain of 2 to 467p on 6.8m.

Of the smaller oils Premier dipped 5 to 112p although dealers said there was little in the way of selling pressure.

Shares in international trader Inchcape improved 5 to 307p on news that the company had agreed to distribute Toyota vehicles in the UK. In return, among other things, Toyota will take a 4.7 per cent stake in Inchcape at 287p a share.

Wellcome recovered from Wednesday's sharp fall which had been triggered by fears that a small US company had produced a compound which might rival Wellcome's money-spinning Aids drug Retrovir. As one trader put it: "It doesn't mean much – everyone's trying to make Aids drugs." Wellcome added 11 at 769p.

British Airways released traffic figures for December in line with expectations and showing a 5.6 per cent increase in the number of passengers carried over December 1988. The shares, weak in recent days, recovered 7 to 231p on good volume for the stock of 4.8m. AB Ports never recovered from early sell orders and closed 9 lower at 644p.

ICI opened sharply down on the news that the company chairman had ordered a belt-tightening drive throughout the company's operations in an attempt to face slower growth prospects in 1990. The shares touched 1173p a fall 17 before recovering with the market to close at 1182p on turnover of 2.8m.

Mr Philip Morris at Smith New Court said: "The caution is justified and the new ingredient into the share price of ICI is the dividend. Our best estimate for 1989 growth is 9.5 per cent." He estimated the rise in the 1990 dividend to be no more than the rate of inflation.

Laporte hardened 8 to 511p as the company hosted a visit from institutional investors.

Hotels were a lacklustre market, with dealers blaming an excess of stock for widespread small falls. A profit downgrading in Mecca from BZW left the shares 2 off at 168p.

Trusthouse Forte eased 6 to 305p as the company mandated J P Morgan to buy part or all of THF's sterling 10¾% bonds due 1996. Traders were hard pressed to explain why the move might lead to a fall in the share price, but market observers suggested that a lower cash position at THF might restrict options to raise dividends or be a prelude to the raising of cash by other means, such as a rights issue. A more innocuous explanation would be that the company had secured a cheaper way of borrowing on the bond market.

Dixons fell 4 to 134p on fears that the 120p a share bid for the company from Kingfisher might be referred to the Monopolies and Mergers Commission.

News that turnover in Etam earlier in the week had been unusually high triggered renewed talk of a bid from Sears. This quickly faded and Etam retreated from a high of 196p to close just a penny better on the day at 190p. Analysts at County NatWest WoodMac trimmed their profit forecast for the company from £18m to £17.6m. County also downgraded Body Shop from a buy to a hold as the shares eased 5 to 604p.

Next had a good day, advancing 4½ to 100½p. Dealers said one buyer had been bidding for big lines of stock, and that there had been vague talk that the company might hold its dividend steady from last year when results are announced probably in March.

Paper merchant Robert Horne continued to benefit from Wednesday's bid approach. The ordinary shares added another 40 at 390p while the "A" shares climbed 33 to 325p.

VPI, the corporate communications company, fell another 5 to 50½p in the wake of Wednesday's disappointing figures.

The water issues moved ahead late in the session after interim results from four of the recently-privatised companies. The performances came from South West, up 4½ at 175p, and Anglian and North West which added 4 apiece at 166p and 157p respectively. The latter topped the turnover league with 3.4m traded. The Package closed 20 points ahead at £1590.

British Telecom rose 3 to 304p on 4.9m after a meeting with one of the leading UK securities houses. Hoskyns closed marginally better at 253p ex a one-for-one scrip issue.

Tilbury Contracting, which recently beat off a takeover bid from FJC Lilley, rose 21 to 664p on talk of a buy circular. Redland advanced 14 to 611p.

Vickers hardened 3 to 216p as the market appeared to appreciate the company's £9.1m purchase of a 75 per cent stake in Riva, an Italian luxury power boat maker. An analyst said of the deal: "It should fit in quite well." In addition, IEP Securities, controlled by Sir Ron Brierley, the New Zealand businessman, revealed it had increased its holding in Vickers from 16.6 per cent to 17.25 per cent.

British Aerospace brushed aside the gloom that has hung over the shares recently and added 2 to 575p on the belief that BAe may not have to fully compensate Airbus Industrie for loss of production due to the strike by engineering workers at a number of its plants.

Rolls-Royce were a firm market with most of the trade options-driven. One marketmaker said: "Those who are nervous of getting into British Aerospace are getting into Rolls-Royce." The shares rose 3 to 192p.

Fresh and prepared foods supplier Geest advanced 5 to 274p on news that Mr Leonard van Geest was stepping down as chief executive to become part-time chairman. Dealers suggested that this might mean the van Geest family, which controls almost 38 per cent of the equity, was loosening its grip on the company. The names of both the Kuwait Invstment Office and Northern Foods have been linked to Geest in the past as stakebuilders.

Nobo, the office equipment manufacturer, slumped 41 to 159p as the company reported poor interim profits, down 28 per cent to £1.17m.

A few large buyers were said to have been responsible for the rise in MB Group. The shares added 9 at 224p as 6.5m shares were traded. There was also talk that MB Group was about to sell its 25 per cent holding in CMB Packaging.

Securigard climbed 16 to 276p helped by BZW buy recommendation following the company's recent acquisition of a US company for $16.9m. BZW said: "This is a an excellent deal, both in strategic positioning and in the financial make up. It should lead to an 8 per cent enhancement to earnings per share next year."

Some 5.4m shares were traded in ADT as the shares bounced 5 to 200p on further consideration of the previous day's agreed offer for Britannia Security Group. A large part of the trading was said to have come from the US.

Profit takers in Trafalgar House left the shares 6 off at 367p. A large buyer early in the day helped Cookson add 8 at 268p, on turnover of 1.4m shares.

■ Other Market statistics, including the FT-Actuaries share index, London Traded Options, and recent issues (including the water issue stocks) Page 19

NEW HIGHS AND LOWS FOR 1989/90

NEW HIGHS (78).
BRITISH FUNDS (1) BANKS (3) BUILDINGS (1) CHEMICALS (2) ELECTRICALS (3) FOODS (2) HOTELS (1) INDUSTRIALS (8) Fitzwilton, C&W, Hanson 10pc Ln., Do. 5¾pc Pf., Photo-Me, Sthn. Bus. Grp., Stora "B", INSURANCE (3) PAPERS (3) PROPERTY (3) SOUTH AFRICANS (6) TRUSTS (8) OILS (3) OVERSEAS TRADERS (1) MINES (35).

NEW LOWS (71).
BRITISH FUNDS (30) INT. BANK & O'SEAS GOVT. STLG. ISSUES (6) FOREIGN BONDS (1) AMERICANS (4) CANADIANS (3) BREWERS (1) CHEMICALS (1) STORES (3) ELECTRICALS (2) HOTELS (1) INDUSTRIALS (3) Crests Hldgs., Nobo Grp., Westmex, INSURANCE (1) LEISURE (3) MOTORS (2) PAPERS (1) PROPERTY (4) TEXTILES (1) TRANSPORT (1) TRUSTS (3) MINES (3).

APPOINTMENTS

Younger takes Royal Bank of Scotland senior post

Mr George Younger, MP, the former Defence Secretary, was yesterday elected deputy chairman of the ROYAL BANK OF SCOTLAND GROUP, writes James Buxton, Scottish Correspondent.

Mr Younger resigned from the Cabinet last July to become a director of the Edinburgh-based institution.

It is generally thought that Mr Younger, who has said that he will stand down as an MP at the next general election, will become the next chairman of the bank. He would succeed Sir Michael Herries, who has been chairman since 1976, and who will be 67 next month.

A spokesman for the bank said that people were free to speculate on the chairmanship, but refused to comment.

At yesterday's annual meeting of the bank in Edinburgh, Sir Michael said that he would continue as chairman as long as he was wanted. He himself served as deputy chairman - a post which is not always filled - for about a year before becoming chairman.

Mr Younger, who is 58, played an important role in 1981 while Scottish Secretary in seeing that the bank retained its independence in the face of rival bids from Hong Kong and Shanghai Banking Corporation, and Standard Chartered.

Mr Younger, who is MP for Ayr and acted as campaign manager for Mrs Margaret Thatcher in the recent Conservative leadership contest, will also become deputy chairman of the Royal Bank itself.

Moves at P&O Property

Mr Tim Harding has been appointed chairman of P&O Developments, P&O Properties, and CCL, and deputy chairman of P&O Property Holdings. Mr Anthony Preiskel is to be deputy chairman and joint managing director, and Mr Bob Ferguson to be joint managing director, of P&O Properties. Mr John Anderson and Mr Peter Lehrer become non-executive directors of P&O Properties Inc, US.

■ Mr Richard McClean, group deputy chief executive of the FINANCIAL TIMES, has been made responsible for day-to-day operational management at group level of both the newspaper and the non-newspaper activities of FT Business Information. Mr William Gibson has been appointed managing director of FTBI, with overall management responsibility for all divisions. Mr David Spencer-Crow continues as FTBI general manager.

■ A. GOLDBERG & SONS has appointed Mr Adrian Atkinson as group chief executive, succeeding Mr Mark Goldberg who remains chairman. Mr Atkinson was group managing director of Gordon Fraser Holdings.

■ Mr Colin Moore, sales manager, has been promoted to sales director of RHP AEROSPACE, a division of RHP Bearings, and a subsidiary of United Precision Industries.

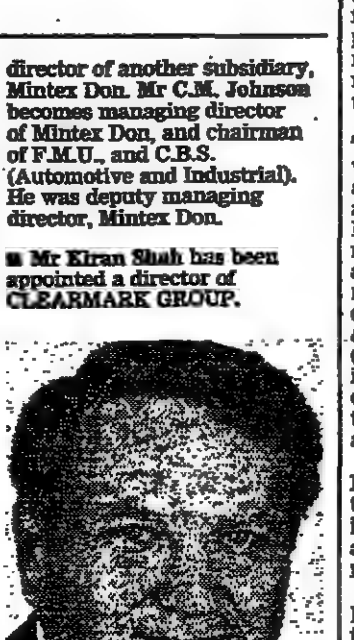
■ Mr Richard L. Desmond, group treasurer of B.A.T. Industries, has been elected president of the ASSOCIATION OF CORPORATE TREASURERS.

■ LLOYDS INVESTMENT MANAGERS, a wholly-owned subsidiary of Lloyds Merchant Bank, has appointed Mr Nigel Morecroft as marketing director responsible for UK pension funds. He was with the WM Company.

■ Mr Terry Brookman and Mr Peter Watts have been appointed technical directors of THE QUICKWOOD GROUP, a wholly-owned subsidiary of Courtney Pope Holdings.

■ BBA GROUP has appointed Mr George Cartwright as chief executive, fiction material division, succeeding Mr Hans Siersleben who has retired. Mr Cartwright was managing director of another subsidiary, Mintex Don. Mr C.M. Johnson becomes managing director of Mintex Don, and chairman of F.M.U., and C.B.S. (Automotive and Industrial). He was deputy managing director, Mintex Don.

■ Mr Kiran Shah has been appointed a director of CLEARMARK GROUP.



ALLIANCE & LEICESTER BUILDING SOCIETY has appointed Mr Innes Hardie (above) as general manager (development), and to the general management committee and board of management. Formerly assistant general manager (retail financial services), for which he will continue to have responsibility, as well as for marketing and branch operations, Mr Hardie is chairman or deputy chairman of three subsidiaries.

FT LAW REPORTS

Drug royalty is reasonable

IN RE SMITH KLINE & FRENCH LABORATORIES LTD'S PATENTS
Court of Appeal (Lord Justice Lloyd, Lord Justice Nicholls and Lord Justice Butler-Sloss): December 14 1989

ROYALTY FOR use of a patented generic drug is best calculated by regard to agreed royalties in closely comparable cases, where they exist, without the need to look further at less comparable cases or at figures predetermined by practice. Where royalty is based on figures for compensation and reward, the compensation element should not discount promotional costs which included promotion of a branded drug, unless imbalance of expenditure is shown across the branded and generic markets; and the reward element, reached by no hard and fast rule, may be based on the patentee's profits on costs rather than on the traditional method of return on capital in the pharmaceutical industry.

The Court of Appeal so held when dismissing conjoined appeals by Generics (UK) Ltd and Harris Pharmaceuticals Ltd, from Mr Justice Falconer's royalty calculation on their applications for licences to manufacture, import and sell a drug patented by Smith Kline & French Laboratories Ltd (SKF). The appeals were dismissed subject to the reference of questions relating to importation from non-EC countries and from Spain and Portugal.

LORD JUSTICE LLOYD said that SKF owned patents covering the compound cimetidine, a successful drug for the treatment of ulcers.

Generics and Harris sought licences to manufacture, import and sell cimetidine and pharmaceutical formulations containing cimetidine.

The parties were unable to agree licence terms. The Comptroller fixed royalty at 28 per cent of SKF's selling price. On appeal Mr Justice Falconer fixed it at 45 per cent. Generics and Harris now appealed. They said 45 per cent was too high.

The principal issue was as to the correct method of calculating royalty.

Section 50(1)(b) of the Patents Act 1977 provided that the Comptroller must secure that the "person beneficially entitled to a patent shall receive reasonable remuneration."

It was settled that "reasonable remuneration" meant royalty agreed between a willing patentee and a willing licensee, having regard to other terms of the proposed licence. The licensee was to pay a proper sum for use of the invention. He was not to pay for loss of the patentee's sales, which would necessarily be reduced by grant of the licence.

In fixing "reasonable remuneration" Mr Justice Falconer considered three possible approaches: comparable licences, the "section 41" approach, and the "profits available" approach. Putting those different approaches together he arrived at a final figure of 45 per cent.

COMPARABLES

Where close comparables existed they provided by far the best and surest approach. There was no better guide to what a willing licensor and willing licensee would agree than what others had agreed in comparable cases. Whether a case was comparable was a question of fact.

Mr Justice Falconer, after considering a mass of evidence, concluded that licences granted by ICI for the drug atenolol afforded a close parallel. He also relied on an agreement for the supply of raw cimetidine between an SKF company and Rhone Poulenc.

Mr Grabiner for Generics submitted that the judge failed to have regard to "the going rate" for licences set by office decisions, namely 25 to 30 per cent. He criticised the judge for not explaining why he left the going rate out of account.

The criticism was not accepted. The object of comparability was to find the closest parallels. If there was an exact parallel there was no point in looking further. If there were slight differences allowance might be made. But once comparables were found enabling one to arrive at the appropriate figure, it would be erroneous to modify that figure by reference to cases which were not truly comparable, to bring it into line with a predetermined range.

There was no error of law.

SECTION 41

"Section 41" was a misnomer derived from section 41 of the Patents Act 1949, now repealed, under which a practice grew up of taking three elements into account. That practice had been approved by the Court of Appeal in the Salbutamol case [1987] RPC 327 in the context of section 50(1)(b) of the 1979 Act.

The three elements were (i) allowance for the patentee's research and development costs; (ii) allowance for his promotional costs; and (iii) appropriate uplift.

The first two were compensation elements. The third was the reward element.

(i) Research and development

It was common ground that research and development should be calculated by taking SKF's total world wide expenditure on research and development, and expressing it as a percentage of its total world-wide sales of ethical pharmaceuticals.

The Comptroller included sales of Contac, a cold cure, in his sales figure. The judge excluded Contac on the ground that it was not the product of SKF's research. There was nothing novel in its ingredients, only in its formulation.

Expenditure on formulation had never qualified as research. There was no error of law in the judge's approach.

(ii) Promotion costs

Fair allowance for expenditure on promotion was based on UK sales of cimetidine.

The Comptroller discounted the expenditure on the ground that part of it was incurred in promoting SKF's branded product, Tagamet.

The judge rightly took the whole of the promotional expenditure into account, since it had all contributed to the creation of the cimetidine market in general as well as the Tagamet market.

He found a balanced expenditure over the entire market, generic as well as branded. To discount it would be illogical and unjust.

There might be cases where expenditure was not spread evenly across the generic and branded markets, but in most cases it would not be possible to isolate items of promotional expenditure in that way. The assumption should be that promotional expenditure was spread evenly.

If a practice had grown up of discounting promotional expenditure by some arbitrary percentage or in proportion to the split between generic and branded markets, it was wrong in principle.

(iii) Uplift

The Comptroller adopted the traditional approach in calculating uplift. He took 20 per cent as a reasonable return on capital in the pharmaceutical industry, and applied it to his figures for reimbursable costs. He arrived at 28 per cent.

Instead of taking a figure for return on capital in the pharmaceutical industry as a whole, the judge went straight to the profits earned on costs in SKF's ethical pharmaceutical division. He arrived at an uplift of 43 per cent.

Return on capital was not the only way to arrive at a figure for profit on costs. There was no hard and fast rule.

There was no error of law in the judge's approach. Forty three per cent might seem high, but that was a matter for his discretion in the light of all the evidence.

PROFITS AVAILABLE

The profits available approach should only be used as a last resort where there was nothing else to go on.

The judge made a calculation based on Generics's average profits for 1985 and 1988.

That made the licensee's reasonable remuneration the measure of appropriate royalty, instead of the patentee's as required by section 50(1)(b).

The profits available approach should be rejected in the present case. Disregarding it made no difference to the outcome as the figure reached by that approach was less than the 45 per cent which the judge fixed as royalty.

The Comptroller included a special clause in the licence reducing royalty on sales to hospitals in proportion to SKF's reduced price to government health authorities.

The principle that royalty was fixed across the market irrespective of variations in selling price was of great importance and should be upheld except in very exceptional cases.

The judge did not err in law in applying that principle to exclude reduced royalty on hospital sales.

The appeal was dismissed, subject to the reference of questions to the European Court of Justice as to whether importations from non-EC countries could be permitted, drawing a distinction between importations of raw material and formulations containing cimetidine; and as to whether importation of raw cimetidine from Spain and Portugal classed transitionally as non-EC countries could be permitted.

Lord Justice Nicholls gave a concurring judgment. Lord Justice Butler-Sloss agreed.

For Generics: Anthony Grabiner QC and Michael Silverleaf (SJ Berwin & Co).
For SKF: Robin Jacob QC and Guy Burkill (Simmons & Simmons).
For Harris: Henry Carr (Roiter Zucker).

Rachel Davies
Barrister

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Abbey Unit Tst Mngrs (1060)H

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Wardley Unit Tst Mngrs Ltd (0900)H
3 Harbour Exchange, London, E14 9GJ 071-355 5095

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Grs
American	5¼	70.83	70.83	[illegible]	[illegible]	1.5
Intl Growth	5¼	84.71	84.71	[illegible]	[illegible]	1.0
Income	5¼	135.3	135.3	144.7	+0.30	4.7
Japan Growth	5¼	247.7	247.7	264.9	+3.50	0.1
Pacific Perf	5¼	161.1	161.1	172.2	+0.80	0.4
Small Co's	5¼	136.3	136.3	145.7	[illegible]	1.4
Technology	5¼	34.24	34.24	36.62	[illegible]	0.1
Australia	5¼	64.51	64.51	[illegible]	[illegible]	3.4
UK Trust	5¼	185.5	185.5	[illegible]	[illegible]	[illegible]
European Growth	5¼	77.74	77.74	83.14	[illegible]	0.1
Hong Kong	5¼	33.64	33.64	35.97	-0.05	[illegible]
Intl Income	5¼	22.02	22.02	23.55	[illegible]	7.2
S'pore & Mlysa Gth	5¼	[illegible]	42.17	45.11	[illegible]	0.1
[illegible]	5¼	[illegible]	27.54	[illegible]	[illegible]	2.0
Japan Smlr Cos	5¼	33.20	33.35	35.67	[illegible]	0.1

Waverley Unit Tst Mngmt Ltd (1000)F
13 Charlotte Sq, Edinburgh 031-225 1551

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Grs
Australasian Gold	6	15.77	16.03	17.05	[illegible]	0.00
Pacific Basin	6	31.20	31.20	33.19	[illegible]	[illegible]
Can Balncd Gwth	6	47.04	47.04	50.04	-0.15	0.70
Globle Mar	4	[illegible]	0.9859	1.0217	+0.10	7.52
Penny Share	6	29.39	29.39	31.26	[illegible]	0.50

Wellington Fund Mngrs Ltd (1200)F
2, London Bridge, SE1 01-407 4404

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Grs
Wellington Income	5¼	146.9	149.7	159.2	+0.2	4.92
Wellington Growth	5¼	242.9	245.4	261.1	-0.5	1.17

Wessex Asset Management (1330)F
1 Richmond Hill, Bournemouth BH2 6HW 0202 299432

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Grs
Wessex UK Gwth	4½	114.5	118.2	125.1	.....	3.79

Whittingdale Unit Tst Mgmt Ltd
2 Honey Lane, London EC2V 8BT 01-606 3132

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Grs
Challenger	2½	61.65	61.65	63.22	+0.11	0.00
Short Dtd Gilt	1¼	[illegible]	[illegible]	[illegible]	[illegible]	6.01
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Wilbro Financial Services Ltd (0985)F
PO Box 515, 6 Broadgate, London EC2 01-588 7511

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Grs
Aust Friars W'wide	5	206.6	210.1	223.9	.....	2.36

AEtna Life Insurance Co Ltd — Contd.

	Bid Price	Offer Price	+ or -	Yield Gross
Bond	425.30	425.31	-1.01	—
[illegible]	252.15	252.16	-0.34	—
Discretionary Investment	316.97	316.98	-0.23	—
Pension Funds (Accumulation Units)				
Squirrel	15.92	16.76	+0.01	—
Bear	17.65	18.58	-0.07	—
Owl	23.40	24.63	-0.03	—
Bull	20.65	21.77	-0.09	—
Stag	20.09	21.15	-0.10	—
Gilt Edged		13.91	-0.04	—
Deposit		13.68		—
North American	10.54	11.10	-0.07	—
European	12.37	13.03	-0.01	—
Property	12.24	12.89	-0.05	—
Index-Linked	12.01	12.65	-0.04	—
Far Eastern	14.44	15.20	-0.16	—
UK Equity	16.16	17.02	+0.02	—
Fixed Interest	12.16	12.80	-0.04	—
Gilt Edged (89)	10.06	10.59	-0.01	—
1982 Series				
Managed	304.67	320.71	-1.45	—
Pre 1982 Series				
Aetna Life				
3 Way	730.40	730.41	-2.43	—
Equity Pensions	1204.22	1204.23	-4.19	—
Aetna Pensions Ltd				
3-Way Managed	641.63	641.63	-7.82	—
Exempt Approved				
Mixed Managed	223.62	228.19	-0.42	—
Gilt Edged		13.91	-0.04	—

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar EN6 1AJ 0707 42311
Life Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Brit Blue Chip Fd Acc(z)	150.5	158.3	-0.3	—
Equity Fd Acc(z)	1102.0	1159.9	[illegible]	—
European Fd Acc(z)	293.1	308.5	+0.3	—
Intl Fxd Int Fd Acc(z)	212.3	223.5	-2.3	—
Fixed Int Acc(z)	346.5	364.7	-1.5	—
Gtd Money Fd Acc(z)	246.1	259.0	+0.1	—
High Income Fd Acc(z)	124.1	130.6	-0.6	—

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Prolific Life & Pensions Ltd

Stramongate, Kendall, Cumbria LA9 4BE 0539 733733

Royal Heritage Life Assurance Ltd

Scottish Mutual Investments – Contd.

Scottish Provident Institution

Scandia Life Assurance Co Ltd – Contd.

Target Life Assurance Co Ltd–Contd.

Teachers' Assurance Company Ltd

Rutland Ins Hlg & Inv Grp ("RIBIG")

Sharp (Albert E.) & Co.

Royal Bank of Canada Funds

Gartmore Luxembourg SA

Henderson Management SA

OFFSHORE AND OVERSEAS

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GUERNSEY (**)

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ISLE OF MAN (**)

LUXEMBOURG (**)

OFFSHORE INSURANCES

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LONDON SHARE SERVICE

BRITISH FUNDS

1989/90 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99	98	Exch 11pc 1990‡‡	99	+1/16	11.03	14.27
101	99	Exch. 12½pc 1990	99	.....	12.56	14.76
97	91	Treas. 3pc 1990	97	+⅛	3.08	11.75
97	95	Treas. 8¼pc 1987–90‡‡	97	.....	8.44	13.75
98	95	Treas. 8pc Cv 1990 ‡‡	97	.....	[illegible]	[illegible]
98	96	Treas. 10pc Cv 1990	96	–1/16	10.32	14.25
93	87	Exch 2½pc 1990	93	+⅛	2.68	10.84
101	98	Treas. 11¾pc 1991	98	–⅛	11.98	13.83
93	89	Funding 5¾pc '87–91‡‡	93	+⅛	6.18	11.98
90	86	Treas. 3pc 1991	90	.....	3.31	10.76
100	95	Treas 10pc Cv '91 ‡‡	95	–⅛	10.42	13.06
101	96	Exch. 11pc 1991	96	–1/16	11.35	12.97
94	91	Treas 8pc 1991	91	–1/16	8.70	12.89
106	100	Treas 12¾pc 1992‡‡	100	–1/16	12.69	12.51
99	95	Treas 10pc 1992	95	–⅛	10.50	12.38
94	90	Treas. 8pc 1992 ‡‡	91	–1/16	8.75	12.45
100	96	Treas 10½pc Cv 1992‡‡	96	–1/16	10.89	12.30
85	82	Treas. 3pc 1992	84	.....	3.55	10.46
105	99	Exch. 12¼pc '92	99	–⅛	[illegible]	[illegible]
109	102	Exch 13½pc 1992	102	–⅛	13.13	12.20
94	90	Treas 8¼pc 1993	90	–⅛	9.17	10.98
100	95	Treas 10pc 1993‡‡	95	–⅛	10.49	11.76
108	101	Treas 12½pc 1993‡‡	101	–⅛	12.26	11.79
88	84	Funding 6pc 1993‡‡	85	+⅛	7.01	10.86
113	106	Treas 13¾pc 1993‡‡	106	–⅛	12.94	11.68
94	89	Treas. 8½pc 1994	89	–⅛	9.45	11.68
117	109	Treas 14½pc 1994‡‡	109	–⅛	13.22	11.49
113	106	Exch 13½pc 1994	106	–⅛	12.71	11.60
100	94	Treas. 10pc Ln. 1994‡‡	95	–⅛	10.51	11.42
110	102	Exch. 12¼pc 1994	103	–⅛	12.19	11.58
96	91	Treas 9pc 1994‡‡	91	–⅛	9.86	13.38
		Five to Fifteen Years				
108	101	Treas 12pc 1995	101	–⅛	11.77	11.48
79	72	Exch 3pc Gas 90–95	75	–⅛	3.94	8.57
101	95	Exch. 10¼pc 1995	95	–⅛	10.72	11.35
113	106	Treas 12¾pc 1995‡‡	106	–⅛	11.98	11.21
119	110	Treas. 14pc '96	110	–⅛	12.62	11.44
97	90	Treas. 9pc 1992–96‡‡	90	–⅛	9.92	11.11
126	117	Treas 15¼pc 1996‡‡	117	–⅛	12.97	11.27
117	108	Exch 13¼pc 1996‡‡	108	–⅛	12.15	11.22
101	94	Conversion 10pc 1996	94	–⅛	10.55	11.09
118	109	Treas 13¼pc 1997‡‡	109	–⅛	12.04	11.15
104	96	Exch 10½pc 1997	97	–⅛	10.82	11.09
95	88	Treas 8¾pc 1997‡‡	89	–⅛	9.82	10.75

Over Fifteen Years

BRITISH FUNDS—Contd

1989/90 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
103	93	Conversion 9½pc 2005	93	+1/16	10.11	10.28
111	101	Exch. 10½pc 2005	101	...	10.32	10.26
125	114	Treas. 12½pc 2003–05	114	–⅛	10.91	10.47
90	81	Treas. 8pc 2002–06‡‡	82	+⅛	9.71	10.21
118	108	Treas. 11¾pc 2003–07	108	..	10.80	10.49
96	86	Treas 8½pc 2007 ‡‡	87	+⅛	9.71	10.03
134	122	Treas. 13½pc '04–08	122	.....	11.01	10.41
101	91	Treas. 9pc 2008 ‡‡	91	+⅛	9.80	9.97
94	91	Treas. 9pc 2008 B	91	+⅛	9.60	9.97
92	82	Treas 8pc 2009	83	+⅛	9.59	9.93
102	91	Conv 9pc Ln 2011 ‡‡	91	.....	9.78	9.90
68	61	Treas. 5½pc 2008–12‡‡	61	.....	8.94	9.73
89	80	Treas. 7¾pc 2012–15‡‡	80	.....	9.62	9.86
132	118	Exch. 12pc '13–'17	118	.....	10.10	9.92
		Undated				
45	40	Consols 4pc	40	.....	9.94	–
40	35	War Loan 3½pc‡‡	35	.....	9.82	–
70	60	Conv. 3½pc '61 Aft	61	.....	5.74	–
41	31	Treas. 3pc '66 Aft	31	.....	9.49	–
30	24	Consols 2½pc	25	.....	9.95	–
29½	24	Treas. 2½pc	24	.....	10.10	–
		Index-Linked				
		(b)			(1)	(2)
112	103	Tr 2pc '92‡‡(97.8)	112	+⅛	[illegible]	4.25
[illegible]	94	Do. 2pc '94 (102.9)	105	+⅛	[illegible]	3.51
155	139	Do. 2pc '96(67.9)	155	+⅛	3.02	3.41
131	118	Do 2½pc '01(78.3)	130	+⅛	[illegible]	3.71
128	115	Do. 2½pc '03(78.8)	127	+⅛	[illegible]	3.75
131	117	Do. 2pc '06(69.5)	130	+⅛	3.56	3.74
123	110	Do 2½pc '09(78.8)	122	+⅛	3.55	3.72
128	114	Do. 2½pc '11(74.6)	127	+⅛	[illegible]	3.70
107	95	Do 2½pc '13(89.2)	105	+⅛	3.53	3.67
115	101	Do. 2½pc '16(81.6)	114	+⅛	3.49	3.62
113	100	Do. 2½pc '20(83.0)	111	+⅛	[illegible]	3.57
95	84	Do. 2½pc '24‡‡(97.7)	94	+⅛	3.40	[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for April 1989: 114.3 and for November 1989: 118.5.

INT. BANK AND O'SEAS

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LOANS

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AMERICANS

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AMERICANS—Contd

1989/90 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
15⅞	847p	Hasbro Inc 50c	12½	+⅛	16c	–	0.8
57⅝	32¾	Honeywell $1½	51⅞	–½	$2.75	–	3.4
22⅝	15¾	Houston Inds $	20½	+⅛	$2.96	–	8.9
76	56¾	IBM Corpn $1¼	60⅝	+⅛	$4.84	–	5.1
60p	45p	Image Storage/R 5m.1c	48p	....	–	–	–
32	[illegible]	Ingersoll-Rand $2	31¼	–⅛	$1.20	–	2.4
33	22½	Lockheed Corpn $1	24½	–⅛	$1.80	–	4.6
22⅝	9⅞	Lone Star Inds $1	9⅞	–⅛	$1.90	–	12.8
23	17½	Louisiana Land 15c	25⅛	+⅛	$1.00	–	2.5
29½	21⅝	Lowe's 50c	17⅛	–⅛	52c	–	1.9
23	15⅞	Manuf. Hanover $1	19⅝	–⅛	$3.28	–	10.5
22⅞	13⅜	Merrill Lynch $1	15⅝	–⅛	$1.00	–	4.0
24⅝	19⅝	Molex Inc	22⅝	+⅛	3.2c	–	–
30	18⅝	Morgan (JP) $2½	25⅝	–⅛	$1.82	–	4.5
26	24⅝	Morris (Philip)	24⅝	–⅛	$1.13	–	3.0
55	36⅝	NYNEX $1	51⅝	–⅛	$4.36	–	5.3
44p	22p	N'wide Legal Serv	19p	+⅛	–	–	–
24	18⅞	PHH Corp $	21½	+⅛	$1.16	–	3.4
25	16⅞p	Pacific Gas	137p	....	–	–	–
29½	19	Pacificorp $3¼	27½	....	$2.76	–	6.1
31	16⅞	Pacific Telesis 10c	28⅛	–⅛	$1.88	–	4.2
22	15⅝	Pall Corp 25c	20⅛	+⅛	48c	–	1.5
55⅝	39	Pennzoil 83 1/3c	51⅝	+⅛	$3.00	–	3.7
42	28½	Quaker Oats $5	33⅛	–⅛	$1.40	–	[illegible]
32	23	Sec NY Corpn $5	30⅛	....	$1.28	–	[illegible]
15	11⅝	Rockwell Intl $1	13⅞	–⅛	78c	–	3.7
29	22	Sears Roebuck 75c	23⅛	+⅛	[illegible]	–	5.5
40	21⅝	Southwestern Bell $1	34⅝	–⅛	[illegible]	–	[illegible]
27	17	Sun Co Inc $1	24⅝	+⅛	$1.80	–	4.6
31	22	TRW Inc 62½c	27	–⅛	$1.73	–	3.7
40	26	Tenneco $5	36	+⅛	$3.04	–	[illegible]
36	25	Texaco $6.25	34	+⅛	$3.00	–	5.6
25	18	Texas Instr. $1	21	–⅛	80c	–	2.3
117	58⅝	Time Inc $1	79⅝	+⅛	$1.00	–	0.8

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS—Contd

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY AND STORES—Contd

ELECTRICALS

ENGINEERING

ENGINEERING—Contd

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS (Miscel.)—Contd

INDUSTRIALS (Miscel.)—Contd.

INSURANCES

LONDON SHARE SERVICE

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LEISURE

MOTORS, AIRCRAFT TRADES

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PAPER, PRINTING, ADVERTISING – Contd

PROPERTY

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRANSPORT

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS, FINANCE, LAND – Contd

Finance, Land, etc

WATER

For Water Issues see London Recent Equities

OIL AND GAS

OIL AND GAS – Contd

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

Tins

MINES – Contd

Miscellaneous

THIRD MARKET

NOTES

Stock Exchange dealing classifications are indicated to the right of security names: α Alpha, β Beta, γ Gamma.

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution: this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

- @ "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ◆ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ◆ USM: not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially listed.
- ♠ Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress
- § Not comparable
- ◆ Same interim; reduced final and/or reduced earnings indicated
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- § Cover does not allow for shares which may also rank for dividend at a future date. No P/E usually provided.
- ‖ No par value

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1988-89. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1989. K Dividend and yield based on prospectus or other official estimates for 1990. L Estimated annualised dividend, cover and P/E based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1988. N Dividend and yield based on prospectus or other official estimates for 1989-90. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p ... γ	88	–3
Craig & Rose £1 . γ	830	.....
Finlay Pkg. 5p . . γ	58	.....
Holt (Jos) 25p γ	1340	–8

IRISH

Cap. 5½% Ln. 1991 .	£96⅞	.....
9pc Cap Ln. 1996 . .	£96¼	+¼
Fin. 13% 97/02. .	£116	.....
Arnotts ..	405	.....
Carroll (P.J.) . . γ	172d	.....
Hall (R. & H.) ...	185	.....
Heiton Hldgs. γ	101	+1
IRG ...	220d	.....
United Drug	176	+3

TRADITIONAL OPTIONS

3-month call rates

Industrials

	p
Allied-Lyons	41
Amstrad	8½
Astec (BSR)	8¼
BAT	67
BOC Grp.	44
BTR	37
Barclays	40
Blue Circle	20
Boots	23
Bowaters	39
Brit Aerospace	46
British Steel	9
Brit. Telecom	22
Cadburys	31
Charter Cons.	42
Comm Union	49
Courtaulds	31
Eurotunnel	65
FKI	6
FNFC	22
Gen Accident	92
GEC	19
Glaxo	60
Grand Met.	42
Guardian	19
GKN	33
Hanson	13
Hawker Sidd	55
ICI	90
Jaguar	55
Ladbroke	25
Legal & Gen	31
Lex Service	[illegible]
Lloyds Bank	31
Lucas Inds.	54
Marks & Spencer	16
Midland Bk	26
Morgan Grenfell	35
Nat West Bk.	25
P & O Dfd.	51
Polly Peck	[illegible]
Racal Elect.	20
PHM	39
Rank Org Ord	72
Reed Intnl.	34
STC	25
Sears	9
Smkl Beecham A	48
TI	38
TSB	9
Tesco	16
Thorn EMI	63
Trust Houses	23
T&N	16½
Unilever	57
Vickers	22
Wellcome	[illegible]

Property

Brit Land	27
Capital Secs	5
Land Securities	45
MEPC	45
Mountleigh	13

Oils

Brit Petroleum	25
Burmah Oil	45
Charterhall	2½
Conroy Petm	9
Premier	10½
Shell	37
Tusker Res	12
Ultramar	28½

Mines

Lonrho	23
RTZ	45

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar gains a little ground

TRADING GENERALLY lacked direction on the foreign exchanges yesterday, with the dollar gaining a little ground against European currencies and the Japanese yen, but waiting for today's figures on US producer prices and retail sales.

The D-Mark showed small mixed changes, as the market lacked conviction about the future movement of the currency. It fell below Y86.00 against the yen at one time, but finished in London at Y86.40, little changed from the previous close of Y86.42, as dealers doubted rumours that the US Federal Reserve had sold D-Marks to buy the yen. Earlier in Tokyo traders unwound substantial long D-Mark positions, pulling the West German currency down to Y86.06 from Y87.03 on Wednesday.

In Paris the D-Mark was fixed at FFr3.4049, falling from Wednesday's level of FFr3.4060, as the French franc continued to consolidate after Mr Karl Otto Pöhl, president of the Bundesbank, dismissed earlier this week speculation about an early realignment of the European Monetary System.

The Danish krone finished as the weakest member of the EMS yesterday, but well within its cross rate limit against the strongest currency, the Italian lira.

At the Milan fixing the lira rose to a three-week high against the D-Mark. The German unit was fixed at L746.52, against L747.41 previously.

In Tokyo trading between the yen and the D-Mark dominated the market, but the dollar weakened against the local currency, after intervention by the Bank of Japan. The central bank was estimated to have sold some $100m to $200m, pushing the dollar down *slightly to Y145.25 at the Tokyo* close from Y145.30 on Wednesday.

During a day of thin, but nervous trading in Europe the dollar fell to a technical support level of DM1.6775, but rallied to close in London at DM1.6830 compared with DM1.6795 on Wednesday. The US currency also rose to Y145.40 from Y145.15; to SFr1.5195 from SFr1.5125; and to FFr5.7300 from FFr5.7175. The dollar's index was unchanged at 67.0.

In New York the Federal Reserve was expected to drain reserves from the banking system, as Federal funds traded at 8⅛ per cent, but refrained from action. This did not appear to indicate any change in the target Fed funds rate of 8¼ per cent however.

Mrs Margaret Thatcher, the UK Prime Minister, endorsed recent remarks by Mr John Major, Chancellor of the *Exchequer, when speaking in* Parliament. She defended the Governments policy on inflation, but this had little impact on sterling.

The pound fell 55 points to $1.6570. It also declined to DM2.7875 from DM2.7925; to Y241.00 from Y241.25; and to FFr9.4950 from FFr9.5050, but rose to SFr2.5175 from SFr2.5150. Sterling's index closed unchanged at 88.0.

£ IN NEW YORK

Jan.11	Latest	Previous Close
£ Spot	1.6575-1.6585	1.6620-1.6630
1 month	0.98-0.97pm	0.95-0.94pm
3 months	2.67-2.64pm	2.71-2.69pm
12 months	9.10-9.00pm	9.33-9.23pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Jan 11	Previous
8.30 am	87.9	87.9
9.00 am	87.9	87.9
10.00 am	87.9	87.8
11.00 am	87.9	87.9
Noon	87.9	87.9
1.00 pm	88.0	87.8
2.00 pm	88.0	87.9
3.00 pm	88.0	88.0
4.00 pm	88.0	88.0

CURRENCY RATES

Jan.11	Bank rate %	Special* Drawing Rights	European † Currency Unit
Sterling #	-	1.25515	1.37360
U.S Dollar	7	1.32399	1.20669
Canadian $	12.46	1.53397	1.39674
Austrian Sch.	6½	15.6006	14.2980
Belgian Franc	10¼	46.4883	42.6413
Danish Krone	10½	8.58343	7.88750
Deutsche Mark	6.00	2.21795	2.03230
Neth.Guilder	7.00	2.49837	2.29343
French Franc	10¼	7.54608	6.92155
Italian Lira	13½	1658.17	1517.65
Japanese Yen	4¼	192.839	175.235
Norway Krone	8	8.58210	7.85673
Spanish Peseta	-	144.727	132.554
Swedish Krona	9½	8.08892	7.41629
Swiss Franc	6.00	2.00386	1.82994
Greek Drach.	20½	207.059	190.005
Irish Punt	-	N/A	0.770405

Sterling quoted in terms of SDR and ECU per £.
† European Commission Calculations.
* All SDR rates are for Jan.10

CURRENCY MOVEMENTS

Jan.11	Bank of England Index	Morgan** Guaranty Changes %
Sterling	88.0	-23.2
U.S Dollar	67.0	-11.5
Canadian Dollar	105.1	+2.0
Austrian Schilling	110.6	+12.4
Belgian Franc	109.9	-3.3
Danish Krone	108.7	+3.5
Deutsche Mark	119.2	+25.6
Swiss Franc	107.4	+15.8
Guilder	114.9	+16.7
French Franc	103.8	-12.4
Lira	100.1	-19.0
Yen	128.7	+58.8

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100) **Rates are for Jan.10.

OTHER CURRENCIES

Jan.11	£	$
Argentina	2940.95 - 3024.75	1775.00 - 1825.00
[illegible]	[illegible]	[illegible]
Taiwan	42.90 - 43.00	25.90 - 25.95
U.A.E.	6.0935 - 6.0975	3.6720 - 3.6730

*Selling rate

EURO-CURRENCY INTEREST RATES

Jan 11	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	15 1/16-14 15/16	15¼-15	15¼-15 1/16	15 3/8-15¼	15 3/8-15 1/4	14 15/16-14 13/16
US Dollar	8⅛-8	8¼-8⅛	8¼-8⅛	8¼-8⅛	8¼-8⅛	[illegible]
Can Dollar	12-11¾	12-11¾	12 1/16-11 15/16	12 1/16-11 15/16	12-11¾	11¾-11½
D. Guilder	8 3/16-8 1/16	8¼-8⅛	8⅝-8½	8⅞-8¾	9-8⅞	9-8⅞
Sw. Franc	10-9¾	10-9¾	9⅞-9¾	9⅞-9¾	9⅝-9½	9⅝-9½
Deutschmark	7⅞-7¾	7 15/16-7 13/16	7 15/16-7 13/16	8⅜-8¼	8⅜-8¼	8⅝-8½
Fr Franc	10 5/16-10 3/16	10 5/16-10 3/16	11-10⅞	11 5/16-11 3/16	11½-11⅜	11½-11⅜
Italian Lira	13-11	12½-11½	12½-12	12⅝-12⅜	12⅝-12½	13-12⅝
B. Fr (Fin)	10 7/16-10 5/16	10 7/16-10 5/16	10 7/16-10 5/16	10⅝-10½	10⅝-10½	10⅝-10½
B. Fr. (Con)	10⅝-10½	10½-10⅜	10½-10⅜	10½-10⅜	10½-10⅜	10½-10⅜
Yen	6 7/16-6 5/16	6 9/16-6 7/16	6 13/16-6 9/16	7-6⅞	7 1/16-6 15/16	7 1/16-6 15/16
D.Krone	12¼-12	12 3/16-12 1/16	12 3/16-12 1/16	12¼-12	12 1/16-11 15/16	11 15/16-11 13/16
Asian $Sing	8¼-8⅛	8 3/16-8 1/16	8 3/16-8 1/16	8 3/16-8 1/16	8 3/16-8 1/16	8 3/16-8 1/16

Long term Eurodollars: two years 8½-8⅜ per cent; three years 8⅝-8½ per cent; four years 8¾-8⅝ per cent; five years 8 13/16-8 11/16 per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

POUND SPOT- FORWARD AGAINST THE POUND

Jan.11	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6485 - 1.6620	1.6565 - 1.6575	0.95-0.93cpm	6.81	2.75-2.72pm	6.60
Canada	1.9120 - 1.9200	1.9175 - 1.9185	0.46-0.40cpm	2.69	1.43-1.30pm	2.84
Netherlands	3.14 - 3.15½	3.14 - 3.15	1⅝-1½cpm	5.96	4¾-4⅝pm	5.96
Belgium	58.35 - 58.75	58.45 - 58.55	25-19cpm	4.51	72-58pm	4.44
Denmark	10.80¾ - 10.84	10.80¾ - 10.81¾	2⅞-2¼orepm	2.77	8-6⅞pm	2.75
Ireland	1.0535 - 1.0605	1.0570 - 1.0580	0.35-0.25cpm	3.40	0.90-0.80pm	3.22
W. Germany	2.78½ - 2.79½	2.78½ - 2.79	1¾-1⅝pfpm	7.25	4⅝-4½pm	6.54
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

[illegible]

EMS EUROPEAN CURRENCY UNIT RATES

[illegible]

EXCHANGE CROSS RATES

[illegible]

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

[illegible]

CHICAGO

[illegible]

LONDON (LIFFE)

[illegible]

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev.
Mar	2460.0	2463.0	2436.0	2460.0
Jun	2502.0	2503.0	2498.0	2502.0
Sep				

Estimated volume 3568 (3505)
Previous day's open int. 23068 (22728)

EUROPEAN OPTIONS EXCHANGE

[illegible]

TOTAL VOLUME IN CONTRACTS : 49,044

A=Ask B=Bid C=Call P=Put

MONEY MARKETS

London rates firmer

OPTIMISM CONTINUED to fade of an early reduction in UK bank base rates yesterday. This followed Wednesday's comments by Mr John Major, the UK Chancellor, that interest rates will stay high until there is a clear slow-down in inflation. Dealers noted that the rejection of a 10.2 per cent pay offer by the unions at Ford Motor Company did not augur well for inflation, and by implication for lower interest rates.

UK clearing bank base lending rate 15 per cent from October 5

One-year sterling interbank rose for the third successive day in London, climbing to 14 13/16-14 11/16 from 14 13/16-14 11/16 per cent. The important three-month rate also reflected the change in sentiment, rising to 15 3/16-15⅛ from 15⅛-15 1/16 per cent.

On Liffe short sterling futures also continued to weaken, as traders took a more gloomy view of the prospects for UK interest rates. March delivery opened lower at 85.21 and touched a low of 85.07, *before* closing at 85.12 compared with 85.27 on Wednesday.

The Bank of England forecast a day-to-day credit shortage of £100m on the money market, but revised this to £150m at noon. Total help of £150m was provided.

The authorities did not operate in the market during the morning, but in the afternoon bought £50m bank bills in band 1 at 14⅞ per cent. Late assistance of around £100m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £307m, with a rise in the note circulation absorbing £15m, and bank balances below target £105m. These outweighed Exchequer transactions adding £320m to liquidity.

In Frankfurt call money eased to 7.65 per cent from 7.70 per cent, as banks remained well supplied with liquidity. Reserve holdings averaged DM64.9bn for the first nine days of January, against an expected requirement of DM59bn for the whole month. It was suggested however that the Bundesbank's decision to drain DM2.8bn at this week's securities repurchase agreement tender indicates the need to keep monetary policy tight. In common with the British authorities the Bundesbank is believed to be concerned about the threat of inflationary wage settlements, and particularly the demand from the metal workers union for a 9 per cent pay rise and a shorter working week.

FT LONDON INTERBANK FIXING

(11.00 a.m. Jan.11) 3 months US dollars		6 months US Dollars	
bid 8⅛	offer 8¼	bid 8⅛	offer 8¼

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10
Broker loan rate	9¼
Fed funds	8¼
Fed.funds at intervention	-

Treasury Bills and Bonds

One month	7.14	Three year	7.93
Two month	7.65	Four year	7.91
Three month	7.81	Five year	7.93
Six month	7.80	Seven year	7.99
One year	7.78	10-year	8.03
Two year	7.90	30-year	8.09

Jan 11	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	7.60-7.70	8.00-8.15	7.95-8.10	8.10-8.30	8.25-8.45	8.00
Paris	10⅛-10¼	10 15/16-11 1/16	-	11⅛-11⅜	-	9.50
Zurich	8⅞-9⅛	9½-9⅝	-	9⅝-9¾	-	-
Amsterdam	8.75-8.88	8.77-8.82	-	8.82-8.90	-	-
Tokyo	6 11/16-6 7/16	6⅝-6 13/16	-	6 13/16-6 15/16	-	-
Milan	12⅞-12⅝	12⅞-13⅛	-	12⅞-13⅛	-	-
Brussels	10.25	10 7/16-10 9/16	-	10 7/16-10 9/16	-	-
Dublin	11⅝-11½	11⅝-11¾	11 13/16-11 15/16	12-11 13/16	12-11⅞	-

LONDON MONEY RATES

Jan 11	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	15	15 3/16	15⅛	15 3/16	15⅛	14 15/16
Interbank Bid	11	14⅞	15 1/16	15⅛	15	14¾
Sterling CDs.	-	-	15 1/16	15⅛	15	14⅝
Local Authority Deps.	14 11/16	14⅞	15 1/16	15⅛	15	14¾
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps.	14¾	14 13/16	14⅞	14⅞	-	-
Company Deposits	-	-	15 3/16	15 3/16	15¼	14 15/16
Finance House Deposits	-	-	15¼	15 3/16	15¼	14 15/16
Treasury Bills (Buy)	-	-	14 13/16	14 13/16	-	-
Bank Bills (Buy)	-	-	14¾	14⅞	13 31/32	-
Fine Trade Bills (Buy)	-	-	15⅛	15⅛	14 15/16	-
Dollar CDs.	-	-	8.20	8.18	8.17	8.17
SDR Linked Dep. Offer	-	-	9⅛	9⅛	9 1/16	8 15/16
SDR Linked Dep. Bid	-	-	8 13/16	8⅞	8 15/16	8 13/16
ECU Linked Dep. Offer	-	-	10 15/16	11¼	11⅜	11⅜
ECU Linked Dep. Bid	-	-	10 13/16	11⅛	11¼	11¼

Treasury Bills (sell): one-month 14 11/16 per cent; three months 14 13/16 per cent; Bank Bills (sell): one-month 14 23/32 per cent, three months 14½ per cent, Treasury Bills; Average tender rate of *discount 14.4683 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day December,29* ,1989 . Agreed rates for period January,24 1990 to February,25 , 1990, Scheme I: 15.90 p.c., Schemes II & III 16.38 p.c. Reference rate for period Dec.1,1989 to December,29 , 1989, Scheme IV&V: 15.164 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 15½ from January 1 . 1990: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 11½ per cent; one-three months 13 per cent; three-six months 13 per cent; six-nine months 13 per cent; nine-twelve months 13 per cent; Under £100,000 11½ per cent from Oct 9,1989 , Deposits withdrawn for cash 5 per cent.

BASE LENDING RATES

	%		%		%
ABN Bank	15	Comm. Bk. N. East	15	Northern Bank Ltd	15
Adam & Company	15	Co-operative Bank	*15	Norwich Gen. Trust	15
Allied Trust Bank	15	Coutts & Co	15	Nykredit Mortgage Bank	15½
Allied Irish Bank	15	Cyprus Popular Bk	15	PRIVATbanken Limited	15
● Henry Ansbacher	15	Dunbar Bank PLC	15	Provincial Bank PLC	16
Associates Cap Corp	14	Duncan Lawrie	15	Roxburghe G'rantee	15½
Authority Bank	15	Equatorial Bank plc	15	Royal Bk of Scotland	15
● B & C Merchant Bank	15	Exeter Trust Ltd	15½	Royal Trust Bank	15
Bank of Baroda	15	Financial & Gen. Bank	16	● Smith & Williman Secs.	15
Banco Bilbao Vizcaya	15	First National Bank Plc.	16	Standard Chartered	15
Bank Hapoalim	15	● Robert Fleming & Co.	15	TSB	15
Bank Credit & Comm.	15	Robert Fraser & Ptnrs.	15½	● United Bk of Kuwait	15
Bank of Cyprus	15	Girobank	15	United Mizrahi Bank	15
Bank of Ireland	15	● Guinness Mahon	15	Unity Trust Bank Plc	15
Bank of India	15	HFC Bank plc	15	Western Trust	15
Bank of Scotland	15	● Hambros Bank	15	Westpac Bank Corp.	15
Banque Belge Ltd	15	Hampshire Trust Plc	15½	Whiteaway Laidlaw	15
Barclays Bank	15	Heritable & Gen Inv Bnk.	15	Yorkshire Bank	15
Benchmark Bank PLC	15	● Hill Samuel	§15		
Brit. Bk of Mid East	15	C. Hoare & Co.	15		
● Brown Shipley	15	Hongkong & Shangh	15		
CL Bank Nederland	15	● Leopold Joseph & Sons	15		
● Charterhouse Bank	15	Lloyds Bank	15		
Citibank NA	15	Meghraj Bank Ltd	15		
City Merchants Bank	15	McDonnell Douglas Bnk.	15		
Clydesdale Bank	15	Midland Bank	15		
		Mount Banking	15		
		Nat. Bk. of Kuwait	15		
		NatWestminster	15		

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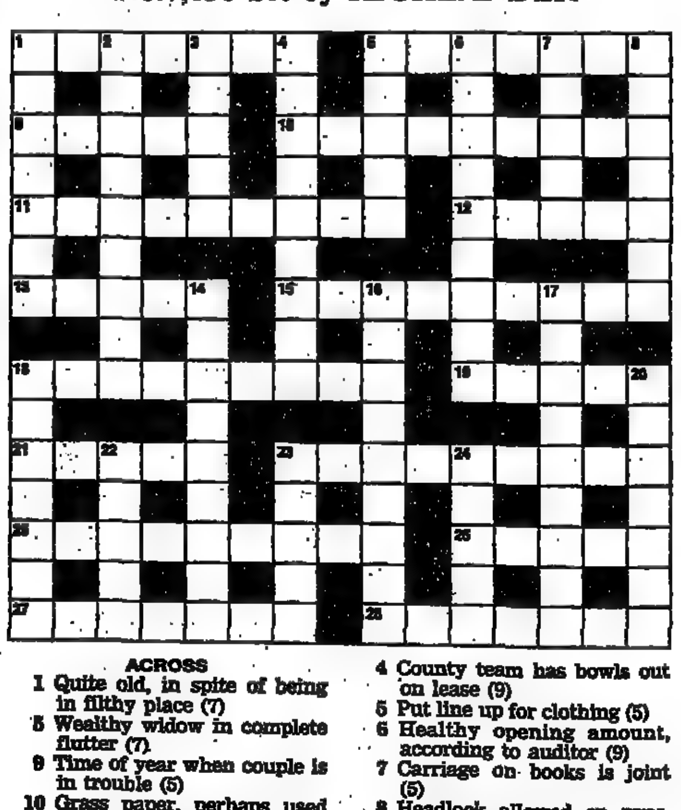
CROSSWORD

No.7,136 Set by HIGHLANDER



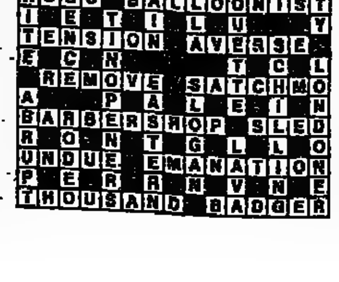
ACROSS

1 Quite old, in spite of being in filthy place (7)
5 Wealthy widow in complete flutter (7)
9 Time of year when couple is in trouble (5)
10 Grass paper, perhaps used as musical instrument (4,5)
11 Medical assessments bring unusual gain in prescriptions (9)
12 Sing praises of previous 75% tax (5)
13 Those not clergymen put it inside (5)
15 International traveller takes little time to become self-centred (9)
18 Leading force has integrated weapon control (9)
19 To be precise, English measure includes 10 (5)
21 Utter confusion created by company handouts and official statements originally (5)
23 This we now cook to make absolutely pure (4-5)
25 Fully agreed with foreign one: there's intense hatred about nothing (9)
26 German fence produces holy relic (5)
27 Train robbery? (5,2)
28 Americans look for old negative reversal (7)

DOWN

1 Investigate backward boy's disgrace (7)
2 Adaptable resort reveals it (9)
3 Only artificial new fibre (5)
4 County team has bowls out on lease (9)
5 Put line up for clothing (5)
6 Healthy opening amount, according to auditor (9)
7 Carriage on books is joint (5)
8 Headlock allowed on wrestling stage? (7)
14 Metropolitan police fix standard (9)
16 Is loud yet funny in a dull sort of way (9)
17 Obliterate for a long time: act as despot heartlessly (9)
18 Lift us up, they say: come, give in (7)
20 *Support for climber going* up more under the weather in a way (7)
22 Could swiftly become a quiet one? (5)
23 This club used to serve food (5)
24 Was victorious, capturing silver inside truck (5)

Solution to Puzzle No.7,135



WORLD STOCK MARKETS

AUSTRIA

January 11	Sch	+ or −
Austrian Airlines	3,445	+45
Creditanstalt	5,470	+30
Goesser	6,180	+10
Interunfall	27,600	−1,400
Jungbunzlauer	18,600	—
Laenderbank	805	+35
Perlmooser	1,800	−20
Reininghaus	2,770	−30
Semperit	209	−3
Steyr-Daimler	138	−2
Veitscher Mag	1,115	−20
Verbund	388	−2

BELGIUM/LUXEMBOURG

January 11	Frs.	+ or −
Arbed	5,430	+50
B.B.L.	3,500	+50
Bank Intl. a Lux	15,650	+50
Banque Gen. De Lux	14,900	—
Banque Nat Belg	37,000	—
Bekaert B	16,600	+400
Ciment CBR	8,490	+380
Cobepa	5,910	−70
Do. AFV 1	5,990	+40
Cockerill	200	+1
Colruyt	19,700	+200
Delhaize	5,910	−40
EBES	4,560	+35
Do. AFV 1	4,460	+5
Fabrique Nat	534	+2
GIB Group	1,404	+4
Do. AFV	1,322	+12
GBL (Brussel)	4,615	[illegible]

[illegible]

... 2410 Quebecr B, 9600 Videotron ... Total Sales 6,712,260 shares.

INDICES

NEW YORK

DOW JONES	Jan 10	Jan 9	Jan 8	Jan 5	1989/90 HIGH	1989/90 LOW	Since compilation HIGH	Since compilation LOW
♦Industrials	2750.64	2766.00	2794.37	2773.25	2810.15 (2/1/90)	2144.64 (3/1/89)	2810.15 (2/1/90)	41.22 (2/7/32)
Home Bonds	92.63	92.61	92.89	92.93	94.15 (2/8/89)	87.35 (23/3/89)	—	—
Transport	1164.30	1176.21	1178.34	1179.23	1532.01 (5/9/89)	959.95 (3/1/89)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	224.66	223.70	225.67	227.43	236.23 (2/1/90)	181.84 (24/2/89)	236.23 (2/1/90)	10.50 (8/4/32)

♦Day's High 2772.82 (2810.79) Low 2725.47 (2760.03)

STANDARD AND POOR'S	Jan 10	Jan 9	Jan 8	Jan 5	1989/90 HIGH	1989/90 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	347.31	349.62	353.79	352.20	359.80 (9/10/89)	275.31 (3/1/89)	359.80 (9/10/89)	4.40 (1/6/32)
Industrials	399.15	401.54	406.09	404.20	411.20 (2/1/90)	318.66 (3/1/89)	411.20 (2/1/90)	3.62 (21/6/32)
Financial	30.62	30.93	31.41	31.38	35.24 (9/10/89)	24.30 (3/1/89)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	192.12	193.35	195.33	194.64	199.34 (9/10/89)	154.98 (3/1/89)	199.34 (9/10/89)	4.46 (25/4/42)
Amex Mkt. Value	378.29	380.44	381.62	382.45	397.03 (10/10/89)	305.24 (3/1/89)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	450.70	456.77	458.71	458.22	485.73 (9/10/89)	378.56 (3/1/89)	485.73 (9/10/89)	54.87 (31/10/72)

	Jan 5	Dec 29	Dec 15	year ago (approx.)
Dow Industrial Div. Yield	3.84	3.87	3.89	3.66

	Jan 3	Dec 27	Dec 20	year ago (approx.)
S & P Industrial div. yield	2.86	2.95	2.90	3.17
S & P Indl. P/E ratio	15.19	14.74	14.51	13.60

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day
Citicorp	3,687,500	27	− ¼
Philip Morris	3,372,400	39¾	− ⅛
Utd Telecom	2,046,700	34¾	− 1
Germany Fd	1,828,300	24⅛	+ 3⅛
Gen.Elect	1,712,300	64¾	+ ⅛
A T & T	1,569,600	45	− ¼
Cen.Maine Pwr	1,521,900	19⅛	
IBM	1,486,100	99½	− ¼
Gen Motors	1,340,800	43¾	− ⅛
Bristol Myers	1,319,900	56⅛	+ ⅛

TRADING ACTIVITY

† Volume (Millions)	Jan 10	Jan 9	Jan 8
New York	175,990	155,210	140,110
Amex	13,230	10,692	12,860
NASDAQ	(u)	131,130	115,500
Issues Traded	1,967	1,968	1,976
Rises	484	548	806
Falls	1,036	959	696
Unchanged	447	461	472
New Highs	40	53	33
New Lows	35	20	20

CANADA

TORONTO	Jan 10	Jan 9	Jan 8	Jan 5	1989/90 HIGH	1989/90 LOW
Metals & Minerals	3325.17	3344.40	3359.21	3399.97	3919.2 (1/9/89)	3207.5 (3/1/89)
Composite	3941.36	3952.35	3971.07	3990.37	4037.8 (6/10/89)	3350.5 (6/1/89)
MONTREAL Portfolio	1998.41	2012.26	2022.39	2035.23	2069.68 (10/10/89)	1677.48 (3/1/89)

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Jan 11	Jan 10	Jan 9	Jan 8	1989/90 HIGH	1989/90 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1695.5	1689.7	1690.6	1699.7	1781.8 (29/8/89)	1412.9 (7/4/89)
All Mining (1/1/80)	855.9	848.1	849.7	860.6	875.1 (29/9/89)	652.6 (7/4/89)
AUSTRIA						
Credit Aktien (30/12/84)	577.10	572.73	568.18	550.72	577.10 (11/1/90)	219.5 (2/1/89)
BELGIUM						
Brussels SE (1/1/80)	6577.00	6548.98	6564.14	6553.85	6805.28 (26/9/89)	5519.30 (4/1/89)
DENMARK						
Copenhagen SE (3/1/83)	369.26	367.31	364.79	364.51	369.26 (11/1/90)	275.49 (27/2/89)
FINLAND						
Unitas General (1975)	626.0	617.7	610.3	607.8	815.8 (18/4/89)	580.8 (23/11/89)
FRANCE						
CAC General (31/12/82)	542.4	542.8	545.1	548.2	561.6 (11/10/89)	417.9 (4/1/89)
CAC 40 (31/12/87)	1992.89	1970.38	1970.28	1968.95		
GERMANY						
FAZ Aktien (31/12/58)	768.50	767.44	776.06	766.31	776.08 (9/1/90)	535.78 (27/2/89)
Commerzbank (1/12/53)	2268.5	2268.6	2290.7	2262.8	2291.3 (3/1/90)	1595.7 (27/2/89)
DAX (30/12/87)	1855.85	1839.63	1865.94	1843.34	1854.66 (3/1/90)	1271.70 (25/2/89)
HONG KONG						
Hang Seng Bank (31/7/64)	2855.52	2868.00	2822.16	2816.24	3309.64 (15/5/89)	2093.61 (5/6/89)
IRELAND						
ISEQ Overall (4/1/88)	1866.93	1857.64	1863.05	1860.89	1666.93 (11/1/90)	1360.64 (10/1/89)
ITALY						
Banca Com. Ital. (1972)	707.41	705.63	702.83	702.07	734.84 (31/8/89)	577.49 (28/2/89)
JAPAN						
Nikkei (16/5/49)	38170.13	37696.51	37951.46	38294.96	38915.87 (29/12/89)	30183.79 (5/1/89)
Tokyo SE (Topix) (4/1/68)	2814.13	2793.80	2817.24	2834.11	2884.80 (18/12/89)	2366.91 (6/1/89)
2nd Section (4/1/68)	4052.59	4009.22	3962.47	3948.78	4052.59 (11/1/90)	2774.38 (27/3/89)
MALAYSIA						
KLSE Composite	592.90	587.83	583.30	583.47	592.90 (11/1/90)	357.31 (3/1/89)
NETHERLANDS						
CBS Tll Rtn.Gen.(End 1983)	261.8	261.5	263.5	261.1	272.7 (21/9/89)	208.3 (3/1/89)
CBS All Shr (End 1983)	200.9	200.6	202.1	200.3	210.5 (6/9/89)	166.7 (1/3/89)
NORWAY						
Oslo SE (2/1/83)	751.87	737.04	734.29	730.75	751.87 (11/1/90)	467.17 (2/1/89)
PHILIPPINES						
Manila Comp (2/1/85)	1107.78	1120.23	1121.70	1127.39	1346.36 (20/11/89)	804.62 (6/2/89)
SINGAPORE						
SES All-Singapore	433.24	432.80	430.03	429.62	433.24 (11/1/90)	300.07 (4/1/89)
SOUTH AFRICA						
JSE Gold (28/9/78)	2216.0	2158.0	2168.0	2213.0	2254.0 (12/12/89)	1291.0 (15/2/89)
JSE Industrial (28/9/78)	3004.0	2982.0	2967.0	2933.0	3004.0 (11/1/90)	1961.0 (3/1/89)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	903.27	911.47	920.21	919.46	1007.80 (3/4/89)	844.75 (11/12/89)
SPAIN						
Madrid SE (30/12/85)	296.16	297.22	298.41	298.23	329.93 (13/9/89)	266.61 (1/3/89)
SWEDEN						
Jacobson & P. (31/12/56)	(u)	4561.9	4542.8	(u)	4660.3 (16/8/89)	3333.9 (3/1/89)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	787.2	781.7	777.3	776.3	829.1 (6/9/89)	613.1 (3/1/89)
TAIWAN**						
Weighted Price (30/6/66)	10134.97	9868.82	9805.40	9964.72	10773.11 (25/9/89)	4873.01 (5/1/89)
THAILAND						
Bangkok SET (30/4/75)	888.72	912.18	909.95	905.71	918.67 (5/1/90)	386.73 (2/1/89)
WORLD						
M.S. Capital Intl. (1/1/70)	(u)	560.1	563.2	565.0	571.0 (4/1/90)	487.6 (13/6/89)

**Saturday Jan 6: Taiwan Weighted Price. 9927.06 Korea Comp Ex. 912.86
‡ Subject to official recalculation
Base values of all indices are 100 except: Brussels SE, ISEQ Overall and DAX – 1,000. JSE Gold – 255.7, JSE Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable

TOKYO – Most Active Stocks
Thursday January 11 1990

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Kurabo	16.6m	952	+57	C.Itoh	8.6m	1,210	+40
Jpn Sth Rubber	11.4m	1,490	+70	Gun-ei	8.2m	1,190	+70
Sumitomo Mt Ind	10.5m	830	+5	MHI	7.8m	1,110	0
Nissho Iwai	9.8m	1,190	+10	Toshiba	7.4m	1,220	0
Showa Almnium	8.4m	1,230	+20	Marubeni	7.4m	1,100	+60

2pm prices January 11

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		– A – A – A –								
37½	24	AAR	.48	1.4	21	118	35¼	34⅝	34¾	– ⅛
9⅝	8½	ACM n	1.01	10.		55	9⅝	9⅝	9⅝	+ ⅛
11⅝	10½	ACMIn	1.28	11.		465	11⅜	11⅛	11¼	
9⅞	8	ACM M n	1.01	11.		109	9⅛	9	9⅛	+ ⅛
11½	10	ACM Sc	1.28	11.		478	11⅜	11¼	11¼	
9⅝	8⅝	ACMSp	1.01	11		238	9½	9⅛	9⅝	– ⅛
19⅝	11½	AL Lab	.16	.8	19	387	18⅞	18½	18⅞	+ ¼
4⅛	3⅛	AMCA	.13e	3.3	9	22	3⅞	3⅝	3⅝	
6⅛	3⅞	AM Intl			8	368	4	3⅞	3⅞	
23½	16⅝	AM In pf	2	11.		42	18⅛	18⅛	18⅛	+ ⅜
107¼	52⅛	AMR			7	10405	56¼	55	56	– ⅛
6¼	3⅛	ARX				15	3⅜	3⅛	3⅛	– ⅝
59¼	39⅛	ASA	3a	5.0		1734	u60¼	59⅛	60¼	+ ⅝
34⅝	16¼	AVX	.24		7 34	3320	u35⅛	34¼	34¾	+ ¼
70⅝	46⅛	AbtLab	1.40	2.1	18	955	68⅝	67⅝	68	+ ½
18¼	11⅝	Abitibi g	.50			2	11½	11½	11½	
13	9¼	AcmeC	.40	3.6	14	103	11½	11⅛	11⅛	– ⅛
9¼	6	AcmeE	.32	3.5	12	27	9⅛	9⅛	9⅛	– ⅛
38½	22	Acusn			20	400	30⅝	30⅛	30⅜	+ ⅛
16½	12⅞	AdaEx	2.06e	13.		145	16⅛	15⅞	15⅞	– ⅛
15⅝	6½	Adobe				102	13	13	13	
20¼	16½	Adob pf	1.84	9.4		23	19½	19¼	19½	+ ¼
21⅝	15⅞	Adob pf	2.40	11		10	21⅛	21⅛	21⅛	
10½	7⅛	AMD				783	7¾	7⅝	7⅝	
10⅛	6⅝	Advest	.16	2.2	10	24	7⅛	7⅛	7⅛	
62½	46¼	AetnLf	2.76	4.9	9	1293	56¾	56½	56¾	+ ¼
14	11	AfilPb	.24	2.1		937	11⅜	11¼	11⅜	
25	16⅛	Ahmans	.88	4.8	9	1274	18⅜	18	18⅛	
3⅞	2⅛	Aileen				3	2⅞	2⅞	2⅞	
50¼	40	AirPrd	1.32	2.6	12	1042	50¼	49½	50	+ ½
39⅝	21½	AirbFrt	.60	1.6	19	252	36⅞	36¼	36¾	+ ¼
25⅛	15⅝	Airgas			11	59	19⅛	19	19	– ⅛
[illegible]										

Continued on Page 35

NYSE COMPOSITE PRICES

Continued from previous Page

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
38⅞	11	Salant			12	25	10⅞	d10⅞	10⅞	- ⅛
53½	33¼	SalleM s	.32	1.1	19	2418	45¾	45	45⅝	+ ¼
29⅞	20½	Salomn	.64	2.8	9	3263	23¼	22¾	23	+ ¼
45⅝	36⅞	SDieGs	2.70	6.1	15	103	44⅞	44½	44⅝	+ ⅛
9⅞	7⅛	SJuanB	.17e	2.2	46	144	7⅞	7¾	7¾	
35	27¾	SAnRt	2.08	7.1	19	98	29⅞	29½	29⅝	
14⅝	6⅞	SFeEP	2.33	32.		41	7⅞	7¾	7⅞	+ ⅛
27⅞	20⅝	SFePP	2.40	9.1		242	26½	26¼	26¼	- ⅛
25¼	18¾	SFePCp	.10e	.5	18	1981	19½	19¼	19½	+ ¼
33¾	22	SaraL s	.84	2.7	17	2187	30⅞	30⅝	30⅝	- ¼
9-16	¼	Savin				1069	5-16	9-32	5-16	+ 1-32
14¼	10¾	Savn pfA				1	13½	13½	13½	
9⅞	5⅛	Savn pfB.80t		14.		8	5⅞	5¾	5⅞	+ ⅛
35¼	29⅝	SCANA	2.46	7.2	11	117	34⅞	34½	34¾	
10¼	7	Schir	1.40e	14.		6850	9⅝	9⅝	9⅝	
97½	55¾	SchrPlg	1.80	2.1	21	2867	64⅞	63⅝	64½	+ ⅞
50½	32⅞	Schlmb	1.20	2.5	28	2809	48⅛	47½	47¾	+ ¼
17	7⅞	Schwb	.12	.8	31	44	14¾	14⅝	14¾	+ ⅛
17	5	Scimtz n				20	5⅞	5¾	5¾	
25¼	12⅞	SciAtl	.10	.7	14	456	23	22⅞	23	
15	8⅞	Scotts n	.24	2.3		117	10⅛	10	10⅛	+ ⅛
52½	38⅞	ScottP	.80	1.8	9	592	45⅞	44⅞	45¼	- ½
18⅞	8	ScudNA	1.30e	8.1		382	u17⅞	16½	17	+ ⅞
74¼	39⅞	SeaCnt	.45e	.7	10	872	68	67⅞	68	+ ¼
14½	12¼	SeaCt pf1.46		11.		1	13½	13½	13½	
17	14½	SeaC pfB2.10		13.		8	15⅞	15¾	15⅞	
17	15	SeaC pfC2.10		13.		5	16¼	15¾	15¾	+ ¼
94	82⅞	Seagrm	1.40	1.5	13	447	91¼	90⅞	91⅛	+ ⅜
23¼	14¼	Seagul			15	130	20⅛	20	20	
23⅞	10¾	SealAr s			14	102	21⅝	21½	21½	
48⅝	36½	Sears	2	5.2	12	3311	38⅞	38⅛	38⅛	
64⅞	35¾	SecPac	2.20	5.8	8	1120	[illegible]	[illegible]	[illegible]	[illegible]
44⅞	23⅞	XTRA	.72	2.7	21	11	26⅞	26⅜	26⅞	- ⅛
38	21⅞	XTRA pf1.94		8.4		10	23⅛	23⅛	23⅛	- ⅛
4⅝	2	Zapata				122	2⅞	2⅞	2⅞	
13	7⅞	Zemex	.20	2.4		2	8⅜	8⅜	8⅜	+ ⅛
21⅛	11⅜	ZenithE				703	13⅛	12¾	12⅞	
21⅜	16¾	ZenNtl	.84	4.5	9	5	18⅝	18⅝	18⅝	
10	6⅞	Zenix	1.20	16.		50	7⅝	7¾	7⅜	+ ⅛
19⅝	13⅞	Zero s	.40	2.4	15	189	16⅞	16⅜	16⅞	- ¼
44⅞	28⅞	Zurnle	.76	1.8	20	389	42⅞	42¼	42⅞	+ ⅞
12⅞	10	Zweig	1.21e	10.		213	12⅛	12⅛	12⅛	- ⅛
10	8⅞	ZweigTl	.96	9.6		1287	10	9⅞	10	

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

2pm prices January 11

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Prism		14	30	4	3⅞	4	+ ⅛
– R–R –							
RMW		11	1	5⅞	5⅞	5⅞	- ⅛
ReCap		12	4	14⅞	14⅞	14⅞	

NASDAQ NATIONAL MARKET

2pm prices January 11

AMERICA

Dow regains ground in unimpressive turnover

Wall Street

AFTER DROPPING sharply for two sessions, the stock market yesterday appeared to be heading for a sizeable upward correction, although volume was not impressive during the morning session, *writes Janet Bush in New York.*

At 2 pm, the Dow Jones Industrial Average was 14.08 higher at 2,764.72 on volume of 92m shares by midsession. The Dow had lost 15.36 to 2,750.64 on Wednesday.

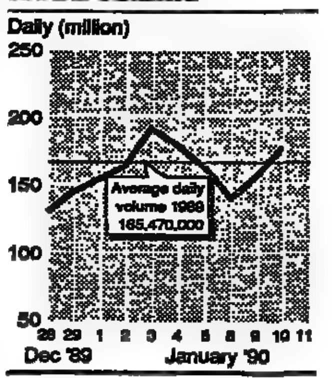
Among other indices, the broad Standard & Poor's 500 index was 1.90 higher at midsession at 349.21, while the Nasdaq Composite index of stocks traded over-the-counter was only 0.15 point higher at 450.85 after its sharp fall on Wednesday.

The gain of just less than 20 points on the Dow came within the first half hour, a level that was maintained, but not improved on, for the rest of the morning session. The early buying appeared to be a continuation of the rally that had emerged in the second half of Wednesday's session, which halved a loss of more than 30 points.

The early spurt of buying was helped by a round of programme trading. Apart from this activity, and some reports of renewed foreign buying, there was little desire to trade before today's key economic releases for December of producer prices and retail sales. Both the Producer Prices Index and retail sales are forecast to have risen by about 0.5 per cent last month.

There was some concern among technical analysts about the health of the upward correction which started on Wednesday afternoon. They noted that secondary stocks are not doing at all well. The fall in the Nasdaq Composite index on Wednesday was the largest since mid-October.

NYSE volume



Mr Newton Zinder, technical strategist at Shearson Lehman Hutton, noted that reinvestment demand for stocks has been conspicuously lacking this year, a fact highlighted by reports that money market funds' assets have jumped by $10bn, the largest weekly increase ever.

This week's rally in single-country mutual funds lost a bit of steam, although some funds managed small gains. The Germany Fund slumped $1⅛ to $22⅞, while the Brazil Fund added another $⅝ to $15⅝.

Among featured individual stocks, J.P. Morgan fell $1⅛ to $41¼ on news that the bank had reported a drop in fourth quarter net income to 81 cents a share from $1.38 a year ago.

Philips Industries, the manufacturer of components for homes and recreational vehicles, fell $3⅛ to $18⅛ after the company said that it expected to report earnings of 14 cents a share for the December quarter compared with 32 cents a year ago.

Prime Motor Inns, which benefited last year from takeover speculation in the hotel industry, fell $2⅝ to $17¼ in continued selling after Shearson Lehman Hutton's downgrading of the stock. It had fallen $2¼ on Wednesday.

On the American Stock Exchange, MEM Co jumped $2⅝ to $13⅛ on news of the death of the company's chairman, Mr Stephen Mayer. The Mayer family holds more than 40 per cent of the company's common shares.

Canada

GOLD SHARES reached a two-year high in an otherwise inactive midday market in Toronto. The gold index shot up 73 points to 7,821.25, its highest level since December 14, 1987.

The composite index fell 3.4 to 3,938.2 on volume of 18m shares. Declines led advances by 231 to 221. Among golds, Corona rose C$⅛ to C$11, American Barrick climbed C$⅛ to C$20⅝ and Placer Dome rose C$⅝ to C$23⅛.

Germany becomes a magnet for foreigners

Andrew Fisher looks at the current euphoria and the prospect of wider fluctuations

EUPHORIA, waning perhaps but still very much in evidence, continues to be the order of the day on West German stock markets – interspersed with moments of panic, doubt or disillusion, or periods of sober profit-taking, when events in Eastern Europe look like getting out of hand.

Why else would Japanese housewives, among others, be so ready to pile into German stocks, having virtually ignored the Federal Republic as a place to invest for most of the 1980s? German newspapers now regularly cite investment from Japan as a main source of price movements in Frankfurt – "Japanische Kaufwut" (Japanese buying frenzy) was the headline on Wednesday's market report in the daily Frankfurter Rundschau.

In global terms, many investors regard the German stock market as a focal point, now that Eastern Europe is being opened up and the prospects of increased business between West and East Germany have increased. "It is epoch-making," said Mr Seiichi Masuyama, director of investment strategy at Nomura Research Institute Europe in London.

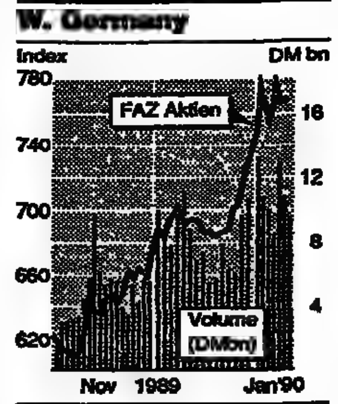
In recent weeks, funds from Japan, the US and elsewhere have poured into German shares. Adding an emotional touch to the business potential has been the widespread and often sensational media coverage of events, notably the breaching of the Berlin Wall in November and the riotous celebrations at the Brandenburg Gate on New Year's Eve.

Seeing the momentous developments in the East played out daily on their television screens has obviously helped to fix the fundamental attractions of German shares in the minds of foreign investors. Japanese buying of German equities last November alone was as much as the previous six months put together, and more than in each of the last few years. In December, with the post-Christmas surge, it will have been even higher.

"This is a massive sea-change," comments Mr Peter Roe, head of UK and European research at Nikko Securities. "We've seen a substantial rise in the amount of money going into the German market."

Compared with other leading markets, however, German bourses are fairly illiquid. The inflow from the Far East, including investment from Taiwan and Hong Kong, is concentrating on well-known stocks such as Siemens, Volkswagen or Deutsche Bank.

W. Germany



With much higher daily trading volumes – on the day the FAZ index reached an all-time high last week, turnover in German shares doubled to DM13bn ($7.6bn) – investors will have to become used to more fluctuation. "One piece of bad news from Germany, such as a jump in inflation or slower economic growth, could cause some investors, especially Japanese, to panic and cause a chain reaction," reckoned Mr Kiran Bhojani, an analyst with Warburg-Brinckmann, Wirtz, a Hamburg private bank. "It makes the German market more volatile."

The news that Mr Mikhail Gorbachev, the Soviet leader, had put off foreign appointments gave the market a touch of the jitters last Friday, when the DAX real-time index dropped by 16 points to 1,820, having been down 31.5 earlier in the day. The Rundschau's market headline the next day was "Gorbi macht Sorgen" (Worries about Gorby).

Since Christmas, the German market has performed with astonishing verve. The DAX gained an exhilarating 4.4 per cent on the Wednesday before the new year, adding a further 1 per cent the following day. On Wednesday last week, the German market soared to a new peak, with the FAZ midsession index up by nearly 4 per cent to a shade under 775 – its highest since April, 1986 – and the newer DAX index recording its 10th straight daily gain with an advance of 3 per cent to 1,870.

Some dealers reckon the FAZ could rise to about 1,000 this year, based on the fundamental strength of the German economy, the lift it is still receiving from the wave of industrial re-equipping in the rest of Western Europe in the run-up to the internal market, and the long-term perspectives opening up in the East. German engineering, utility, environmental, consumer and construction companies, as well as financial institutions, are expected to benefit from the growth of business.

There is, of course, a danger that the optimism is being overdone. The shaky domestic situation in the Soviet Union or the threat of a wage strike in West Germany are both potential risks. But Nomura's Mr Masuyama says: "We are bullish about Germany on fundamentals." Even if problems arose in the Soviet Union, "the revolutionary trend in Eastern Europe may not be repressible. So far, we think the Gorbachev regime is very stable."

The Frankfurt-based analysts of Manufacturers Hanover Bank of the US have been caught up in the enthusiasm. In their latest judgment of the outlook, they wrote: "The East has the makings of the next major *Wirtschaftswunder* [economic miracle]; Europe's Wild West is in the East."

EUROPE

Quickening bourses play the catch-up game

THERE WAS a quickening in some markets and some sectors as investors played the catch-up game over national, and industrial, frontiers, *writes Our Markets Staff.*

PARIS surprised some brokers by rising 1 per cent in good turnover after three days of drifting down or sideways. They had been expecting a longer period of consolidation. "I'm still bearish, but I must admit that the market was looking quite impressive today," said one.

On the fundamental side, an easing of the pressure on the French franc and short-term interest rates this week has enabled investors to look again at bullish aspects of the market, such as potential takeover and merger activity and expectations of good results.

But the rise was technical, too. Paris has underperformed against Frankfurt in the past two to three months. In one broker's view, "if people are looking to put new money into Europe, then France, among the major markets, looks the safest, the most insulated against a possible fall."

Yesterday's 22.51 rise in the CAC 40 index took it to 1,992.89, still below its January 4 record of 2,006.42. The more generous estimates of volume put it at a healthy FFr3.5bn to FFr4bn. But some traders were doubtful about how much more progress could be made at this stage: "It seems a little too soon to see currency and inflationary worries being completely discounted."

While many of the actively traded stocks were foreign investors' favourites, there were suggestions that buying by French institutions, which have been tending to sell recently, was the main force behind the advance.

Elf Aquitaine gained FFr15 to FFr549, CGE put on FFr15 to FFr540 after its fall of FFr25 on Monday and Tuesday, and Michelin, a long-term laggard, was also actively traded, adding FFr3.10 to FFr176.80.

According to the stock exchanges association, equity turnover in Paris rose by 54 per cent last year to about FFr696bn from FFr452bn. Peugeot and Eurotunnel were the two most active stocks.

FRANKFURT saw Nixdorf preferred shares rise DM42.50, or 15 per cent, to DM335, although Siemens has not yet said what it is paying for 51 per cent of the unlisted Nixdorf common stock, and previous indications were of a price much lower than this.

After a weakish opening, reflected in the FAZ index being only 1.06 higher at 768.50 at midsession, the DAX closed the day with a rise of 16.20 to 1,855.83. Volume fell again, from DM10.7bn to DM9.5bn.

Porsche jumped DM46 to DM941, after a gain of DM24 on Wednesday, on hopes of good news at its annual conference on January 24. Preussag, which will launch a DM1.36bn rights issue on Friday to pay for its Salzgitter acquisition, rose DM19 to DM474.

Among blue chips, chemicals were catching up again, with Bayer, a favourite among Japanese investors, leading with a DM6 rise to DM323.

ZURICH, where 1989 stock exchange turnover rose 12.5 per cent to a record SFr640bn, was torn between excellent corporate results, such as those from Roche this week, and high short-term interest rates. Results won, with the Crédit Suisse index 4.8 higher at 633.5.

A robust, early bout of buying in chemicals lifted Ciba-Geigy SFr45 to SFr3,820, Sandoz SFr75 to SFr11,500 and Roche certificates another SFr75 to SFr3,775.

BRUSSELS saw local and foreign institutions return, and shares rose on bargain-hunting and optimism about corporate results. Volume was BFr1.3bn, triple Monday's figure.

Among the big gains, the chemical group, Tessenderlo, leapt BFr680, or 7.3 per cent, to BFr9,980; Wagons-Lits, the travel company, by BFr440, or 4.8 per cent, to BFr9,570; and the cement producer CBR by BFr380 to BFr8,490.

Glaverbel, the glass maker, rose BFr40 to BFr5,040 after reporting a 16 per cent annual profit rise. The cash market index added 28.1 to 6,577.00.

AMSTERDAM reversed most of its morning gains to end with the CBS tendency index just 0.4 higher at 118.7.

DSM, the chemical stock, rose another Fl 1.60 to Fl 120.50 on its generous dividend increase. Some brokers were saying that, while the yield at just under 7 per cent looked attractive, the share price could be held back in the longer term by expectations of lower earnings this year.

Bührmann-Tetterode eased Fl 2.60 to Fl 65.20 on concern that it might need a capital increase to finance a rumoured bid for Robert Horne, a UK paper merchant.

HELSINKI rose again in reasonable volume, amid optimism that an incomes policy will be accepted by trade unions by Monday's deadline. The Unitas all-share index rose 8.9 to 626.0.

STOCKHOLM closed level in moderate turnover, after initial losses as investors took note of the gloomy economic forecasts in Wednesday's budget. Indices were not available because of a computer fault.

There was another sprinkling of records: OSLO's all-share index rose 8.45, or 1.5 per cent, to 578.65, buoyed by rising North Sea oil prices; COPENHAGEN defied profit-taking, with its bourse index gaining 1.95 to 369.26; and the VIENNA index picked up 5.59, or 0.9 per cent, to 599.13 in high turnover of almost Sch1bn.

ASIA PACIFIC

Arbitrage activity boosts Nikkei in sluggish volume

Tokyo

FUTURES-RELATED buying sent the Nikkei average flying above 38,000 in very thin volume, after currency, bond and futures market movements had initially kept Japanese equities under pressure yesterday, *writes Michiyo Nakamoto in Tokyo.*

Weakness on the bond market and the yen's failure to make a significant recovery pushed the Nikkei to a day's low of 37,604.33. But buying in arbitrage with the futures helped the Nikkei to recover to a high of 38,170.13 by the close, a gain of 473.62.

Advances were far ahead of declines at 673 to 264, while 194 issues were unchanged. However, investors remained cautious and volume was still fairly sluggish at 629m shares, although this was an improvement over 554m on Wednesday. The Topix index of all listed shares gained 20.33 to 2,914.13, while in London the ISE/Nikkei 50 index rose 0.50 to 2,105.71.

The wide gap that remained between the futures and cash markets triggered the buying in the Nikkei index. Small-lot buying of issues with special incentives also proved a support.

The Tokyo Stock Exchange eased margin trading restrictions, encouraging individuals to take a more active part. The TSE had tightened restrictions only last month in an attempt to cool the speculative fever that had pushed the Nikkei to a string of records at the end of last year. The Exchange said that it was easing the rules as the Topix index had fallen 3.2 per cent from its high; average trading volume this year has been about half what it was when the TSE tightened margin restrictions and the outstanding balance of margin buying has fallen for the past three weeks.

Interest again focused on smaller companies with good earnings prospects, and which have not had much of a run lately. Kurabo, the textiles maker, topped the volumes list with 16.6m shares and rose Y37 to Y962. Although the company is likely to report lower profits, investors were optimistic about its prospects, because of its plans to redevelop its headquarters in Osaka.

Japan Synthetic Rubber followed in volume with 11.4m shares and an increase of Y70 to Y1,480.

Resources also returned to favour with Nippon Oil firming Y80 to Y1,800 and Sumitomo Metal Mining rising Y70 to Y2,220. Sumitomo Metal was favoured as gold prices rebounded in New York and because investors thought it had undergone a substantial correction, falling by 15 per cent since its December 24 high.

Activity also picked up in Osaka, where the OSE average climbed 242.70 to 38,861.27. Volume rose to 74m shares from 46.8m on Wednesday.

Roundup

THE PACIFIC Basin gave a varied response to a number of developments yesterday.

TAIWAN saw securities companies maintain their appeal as President Securities confirmed that Yamaichi, one of the Japanese "big four" houses, had agreed to invest NT$150m in new President shares.

Equities accelerated, with the weighted index up 266.15, or 2.7 per cent, at 10,134.97, apparently on relief that financial problems at the unlicensed investment house, Hung Yuan (Homey), were out in the open.

Volume rose to 795m shares and NT$126bn from 694m and NT$108bn.

HONG KONG heard that Meiji Mutual Life, the Japanese insurance company, had acquired 1 per cent of Hong Kong & Shanghai Banking's equity since the autumn, and that it is considering broader links to promote investment in Asian stocks.

However, the Hang Seng index gave up some of Wednesday's gains on the lifting of martial law in Peking, falling 12.48 to 2,855.52, with the HK Bank down 5 cents at HK$7.35. Turnover declined from HK$681m to HK$649m.

SEOUL disdained peace moves with North Korea and plans for economic reform at home, and the composite index fell 8.21 to 903.27, as private investors sold and institutions kept to the sidelines. Volume was 12.7m shares valued at 275bn won.

AUSTRALIA firmed on offshore buying, and BHP led blue chips higher on the possibility that it will sell its 40 per cent stake in Woodside Petroleum. The All Ordinaries index rose 5.8 to 1,695.5 on turnover of 102m shares and A$200m.

BHP climbed a further 12 cents to A$9.90 in turnover of 1.6m shares, but the possibility of a large Woodside sale pushed the latter down 22 cents to A$3.08.

NEW ZEALAND rose after five consecutive falls, the Barclays index closing 18.18 higher at 2,016.58. Lower interest rates attracted attention to domestic financial markets, and this spilled into equities.

SOUTH AFRICA

ADVANCES by gold and other leading stocks pulled the Johannesburg overall index up 52 to a record 3,234. The gold index gained 2.6 per cent.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY JANUARY 10 1990						TUESDAY JANUARY 9 1990			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Day's change % local currency	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1989/90 High	1989/90 Low	Year ago (approx)
Australia (84)	155.20	+0.3	138.40	130.94	+0.0	5.21	154.79	138.74	130.90	160.41	128.28	147.35
Austria (19)	215.77	−0.1	192.42	188.25	−0.2	1.29	216.06	193.67	188.62	216.06	92.84	94.46
Belgium (61)	158.26	−0.2	141.13	137.57	−0.2	4.07	158.54	142.11	137.82	159.17	125.58	133.85
Canada (120)	151.59	−0.2	135.18	127.17	−0.4	3.14	151.88	136.14	127.69	154.17	124.67	129.04
Denmark (36)	247.74	+0.4	220.93	219.94	+0.5	1.43	246.81	221.23	218.87	247.74	165.35	156.83
Finland (26)	139.15	+1.3	124.09	116.03	+1.0	2.68	137.32	123.09	114.93	159.16	118.63	127.88
France (125)	156.00	+0.3	139.12	139.91	+0.0	2.69	155.61	139.48	139.86	157.97	112.57	115.32
West Germany (96)	128.96	−0.9	115.00	112.60	−1.1	1.88	130.18	116.69	113.84	130.18	79.56	87.40
Hong Kong (48)	118.35	+1.5	105.54	118.64	+1.5	4.81	116.58	104.49	116.90	140.33	86.41	119.29
Ireland (17)	194.78	−0.1	173.70	175.09	−0.1	2.48	195.06	174.84	175.34	196.69	125.00	127.14
Italy (96)	101.72	+0.5	90.71	95.38	+0.3	2.40	101.24	90.74	95.06	101.86	74.97	84.51
Japan (455)	188.88	−1.0	168.44	173.30	−1.1	0.47	190.85	171.07	175.17	200.11	164.22	197.02
Malaysia (36)	236.35	+1.0	210.77	246.00	+1.0	2.18	233.95	209.70	243.68	236.35	143.35	149.01
Mexico (13)	337.02	+0.8	300.55	989.73	+0.8	0.52	334.27	299.62	981.65	337.02	153.32	156.32
Netherland (43)	142.87	−0.8	127.41	123.60	−1.0	4.32	144.07	129.14	124.87	145.66	110.63	111.15
New Zealand (18)	73.95	−0.3	65.95	64.67	−0.6	5.45	74.15	66.46	65.09	88.18	62.64	70.29
Norway (24)	215.55	+0.4	192.23	190.32	+0.3	1.43	214.82	192.37	189.71	215.55	139.92	150.31
Singapore (26)	189.89	+0.6	169.34	165.78	+0.3	1.76	188.82	169.25	165.28	189.89	124.57	133.39
South Africa (60)	206.87	+2.8	184.49	162.95	+0.2	3.47	201.30	180.43	162.67	207.47	115.35	117.36
Spain (43)	162.25	+0.1	144.69	134.77	−0.3	3.91	162.15	145.34	135.18	169.75	143.14	147.38
Sweden (35)	206.58	−0.2	184.22	187.69	−0.1	1.83	206.95	185.51	187.98	206.95	138.45	146.82
Switzerland (62)	98.23	+1.2	87.60	92.11	+0.3	1.94	97.07	87.01	91.87	98.23	67.81	77.90
United Kingdom (306)	163.65	−0.4	145.94	145.94	−0.9	4.31	164.31	147.28	147.28	164.31	133.28	136.26
USA (542)	140.53	−0.8	125.32	140.53	−0.8	3.33	141.59	126.92	141.59	146.29	112.13	114.83
Europe (989)	146.30	−0.2	130.47	129.55	−0.5	3.28	146.66	131.46	130.32	146.66	112.63	114.66
Nordic (121)	197.36	+0.2	176.00	169.95	+0.2	1.68	197.02	176.60	169.61	197.36	137.95	142.52
Pacific Basin (667)	185.00	−0.9	164.98	169.57	−1.0	0.72	186.75	167.40	171.25	194.72	160.44	191.80
Euro−Pacific (1656)	169.73	−0.7	151.36	153.64	−0.8	1.62	170.92	153.21	154.95	174.18	141.56	160.89
North America (662)	141.09	−0.7	125.82	139.69	−0.7	3.32	142.11	127.38	140.72	146.66	112.79	115.59
Europe Ex. UK (683)	134.38	−0.1	119.84	119.47	−0.4	2.60	134.57	120.63	119.91	134.66	96.30	100.97
Pacific Ex. Japan (212)	138.32	+0.6	123.35	122.90	+0.5	4.70	137.44	123.19	122.35	140.05	111.93	129.32
World Ex. US (1849)	169.56	−0.6	151.21	153.10	−0.8	1.68	170.65	152.97	154.36	173.77	141.49	159.35
World Ex. UK (2085)	157.61	−0.7	140.56	149.12	−0.8	1.98	158.73	142.28	150.30	162.00	136.98	142.67
World Ex. So. Af. (2331)	157.83	−0.7	140.75	148.68	−0.8	2.18	158.95	142.48	149.89	161.84	136.67	142.42
World Ex. Japan (1936)	143.85	−0.4	128.28	136.24	−0.6	3.36	144.47	129.50	137.08	145.52	114.51	115.88
The World Index (2391)	158.13	−0.7	141.02	148.78	−0.8	2.19	159.21	142.71	149.97	162.05	136.68	142.27

Latest prices were unavailable for this edition.

JOBS

Europe-wide code mooted for headhunters

By Michael Dixon

SOMEBODY once said that a good test of people's social origins is their reaction to the sudden howl of a police siren. If it makes them feel relaxed and secure, they are from the middle and upper classes. Those instinctively inclined to cover their head and run belong to the lower orders.

On the face of things, a like result might be expected of the launching of a trade association for recruitment consultancies. The pedigreed, inured to gentlemanly behaviour, would promptly join. Those less well endowed, and apt to cut corners would keep clear.

But that has not been the case in practice. In the United States, for example, the Association of Executive Search Consultants was for years pooh-poohed by the bigger and mostly better known outfits. Their reason seemed to be the reverse of the one famously voiced by Groucho Marx: to wit, they did not want to belong to a club that had anyone but themselves as members.

Even so, the big battalions have lately been coming in to join, promising to give the American body the weight its leaders have long sought to smother what they view as substandard practices. Part of the credit is due to Jim Kennedy, publisher of the US Executive Recruiter News, who has tirelessly nagged respectable headhunters in the States to band together and show their trade's maturity. But the main force behind the change is probably fear that if the consultancies do not regulate their own affairs, and soon, officialdom will step in and do it for them.

The same may explain today's launching of a comparable body east of the Atlantic, which although the ceremony will be in London, is open to recruitment consultancies throughout Europe. After all, the US authorities' propensity to intervene in the commercial arena seems as nothing to that of the European Commission, which is a strong contender for the title of the bureaucrat's bureaucracy.

Europe's embryo has broader ambitions than America's adult which concentrates on recruiters using the personal-approach methods of executive search. By contrast, the Association of Search and Selection Consultants is open also to recruiters using advertising. (Anyone interested in joining should contact Rachel Casey of the Courtenay company, 3 Hanover Sq, London W1R 0AT; tel and fax 01-491 4014.)

The proposed code of trade practice is printed alongside. But it is only a prototype, and could well include extra clauses as well as being less wordy by the end of the fitting-out process.

It is to be hoped so, at any rate. For although the Jobs column is largely cheered by the provisions for candidates, who surely need protection from consultants more than do the employers who are their clients, a few further safeguards need to be added.

For instance, there is evidence that some headhunters tout for business by going to potential customers, finding out about a job they want filled, and conjuring up the records of well qualified people on a lap-top computer. While that is acceptable if they have given permission for their names to be bandied about, in some cases it is done without their knowing.

For the moment, however, the crucial point is that the association should be set up so that it has teeth to bite erring consultancies, not just a mouth for special pleading.

To be members of the association, consultants must comply with the following standards:

1. Only accept assignments where the client's requirements are clearly understood and genuine, and which they are competent to fulfil.

2. Advise clients of potential conflicts of interest before accepting any assignment.

3. After briefing, provide client with a specification including company background, job description, person specification, expected salary level and benefits. Also provide explanation of the consultancy services and costs, including expenses, terms of business, and time-frame for completing assignment.

4. Inform client which consultant is to handle the assignment, and only make changes after consultation with the client to ensure continuity and to maintain standards of service.

5. Not misrepresent their identity or the identity of their company, or purpose in carrying out research.

6. When seeking potential candidates, never make the first approach to a person previously placed by them while he or she is still employed by the previous client.

7. After completing an assignment, not make the first approach to any of the clients' other employees for two years without prior permission; and where the client is part of a group agree the position as to its other member-organisations.

8. Ensure strict confidentiality of information given to them by both client and candidates, preserving their anonymity until clearance is given, but thereafter ensure that no information is withheld from either which might influence decisions on the appointment.

9. Gain clients' agreement on responsibility for taking up references and checking professional and educational qualifications. Obtain specific permission from the candidate beforehand.

10. Maintain the highest standards of service as embodied in this code at all times and abide by the relevant legislation, while actively promoting equal-opportunity employment and anti-discriminatory practices.

Members are expected to observe the following guidelines:

11. For search assignments, involve wherever possible both consultant and researcher in client-briefings so as to provide the highest quality of relevant research, and be prepared to justify this research to the client at any time during assignment.

12. If advertising a job, clearly indicate its requirements, and the desired form of reply, abiding by Code of Advertising Practice.

13. Promptly acknowledge applications from candidates, and treat them with courtesy and respect at all times.

14. Subject to clause 8, provide candidates with full and relevant information on job requirements, client's background, and the form and expected timescale of the selection procedure.

15. Maintain prompt and regular communication with client and candidates throughout the assignment, and in particular advise candidates constructively when they are no longer in the running for an appointment.

16. Only put forward suitable candidates who have been adequately assessed and/or interviewed, and who are judged to meet the requirements of the agreed job description.

17. When conducting psychometric tests, ensure that these are scientifically validated, interpreted by appropriately qualified people, and that relevant feedback is given to the candidate.

UNIVERSITY OF NEWCASTLE UPON TYNE

DAVID DALE CHAIR OF ECONOMICS

Applications are invited for the vacant David Dale Chair in the Department of Economics. This Chair is one of two established Chairs in the Department and the University wishes to make an appointment either within one of the existing departmental areas of research or within another cognate area. On the filling of the Chair the University expects to release a Readership which would a considered in relation to the field of the Professorial appointment.

The Department's principal research interests currently lie in the three broad areas of money and finance; labour markets and human resources; and economic of the environment - including safety. Applications would also be welcomed from candidates with research interests in the areas of industrial economics; international economics or experimental economics. In addition to a strong research record the person appointed will be expected to develop and contribute to the teaching of economics.

The University expects the appointee to be capable of assuming responsibility for the headship of the Department if required to do so in accordance with current arrangements for the rotation of headships.

Salary will be at an appropriate point on the Professorial salary scale.

Further particulars may be obtained from Miss J.M. Kidd, Deputy Registrar, The University, 6 Kensington Terrace, Newcastle upon Tyne, NE1 7RU with whom applications (15 copies), giving the names of three referees, should be lodged not later than Friday, 26th January 1990.

YOUR BEST MOVE

Credit/Financial Analysis

To £30,000 + benefits

A number of our major clients including top US and European houses have started the New Year looking for experienced analysts to fill a number of challenging roles, ranging from structured financing to financial analysis and on to marketing. Aged in their mid-20's, potential candidates will be top-class graduates – preferably with a mathematical bias – who have completed a formal training scheme and who have gained a further two or three years' experience.

Marketing Officer/Capital Markets

To £35,000 + benefits

This major international bank is looking for a marketing officer at assistant manager level to concentrate on Europe. Graduates in their mid-late 20's who have 2 years' relevant experience within capital markets would be ideal. Applicants must have knowledge of debt instruments and be able to prepare written financial statements as well as have the personality to assist in client presentations.

For further details please contact Julie Byford or Joe Reilly on (01) 583 0073 (Day) or (01) 540 9340 (Evenings & Weekends) or send your cv in complete confidence to: 16-18 New Bridge Street, Blackfriars, London EC4V 6AU. Or fax (01) 353 3908.

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CHARTERHOUSE

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Substantial Negotiable Package

Charterhouse Tilney is a long established broker, now part of Charterhouse plc the merchant banking arm of The Royal Bank of Scotland. The firm's administration office is in Liverpool and there are established offices in London, Peterborough, Shrewsbury, Altrincham, Edinburgh and Aberdeen. They have a consistent record of growth and now stand poised for further expansion. They seek experienced and successful brokers in the age range 25 — 55 who may be attracted by:

- a successful firm which has active expansion plans.
- excellent research and systems
- the opportunity to develop private client business in a co-operative and supportive atmosphere.

The firm is looking for individuals and teams who can contribute to its growth and can demonstrate a record of achievement in developing and retaining a substantial private client portfolio. They would be particularly interested in hearing from those who may be interested in joining existing offices or able to create a substantial presence in areas not already represented. They offer a substantial salary together with excellent benefits and an individual performance-related bonus.

If you would like to discuss this in the strictest confidence, please contact John Gregory, who is advising the firm, at JC&P, Brickhill House, 701 South Fifth Street, Milton Keynes, MK9 2PR. Telephone 0908-663692 during office hours or 0327-860577 after 8 pm.

John Courtis & Partners
Search and Selection

The Rathbone Consultancy, Premier House, 77 Oxford Street, London W1R 1RB

Tel: 01-287 5704/5
01-439 1188
Fax: 01-494 0539

RATHBONE

SWAPS TRADERS — **To £100,000**
AAA Rated

Our client, a major international bank, is currently expanding its Swaps Trading Desk. Ideally, applicants will have 2 to 3 years experience of trading Interest Rate and Currency Swaps in DM, together with knowledge of other European currencies and $ markets.

SWAPS MARKETING — **£Negotiable**
AAA Rated

High calibre marketeers required with between 1 and 3 years experience in marketing off-balance sheet or new products to European clients. Experience in major European and/or US$ essential.

In both cases our clients place a great deal of emphasis on experience and education. Therefore, candidates should be graduates and have a proven track record.

The above is a small selection of the many positions we are currently handling. For a confidential discussion please contact **Charles Johnson on 01-287 5704/5 or 01-439 1188.**

YAMAICHI

Pensions Marketing Executive

City

3 years financial marketing experience

Salary £22-£35K plus mortgage subs, bonuses, car and generous banking benefits

Yamaichi Capital Management Europe is the London based marketing arm of Yamaichi International Capital Management of Tokyo which currently manages over £1bn on behalf of international institutional clients.

Assets under management for UK and European clients have grown rapidly over the past 3 years and as a result a further member for the London based team is required.

The successful applicant, who will report to the Pensions Marketing Director, will be responsible for building up new business with key named potential UK and European clients, and for maintaining existing business.

Applicants are invited from economists, business graduates or other numerate individuals who have had a minimum of 3 years experience in a bank, insurance or similar fund management environment which involves marketing to UK finance directors, treasurers and pension fund managers/trustees.

Male or female candidates should submit in confidence a detailed cv to Mrs Kath Lawrence, Head of Personnel Yamaichi International (Europe) Limited, Finsbury Court, 111-117 Finsbury Pavement, London EC2A 1EQ Telephone: 01-638 5599

Yamaichi Capital Management Europe Ltd
Member of IMRO

Leading US Investment Bank

Europroduct Trader — Tokyo

Generous Salary + Benefits + Relocation

One of the most prestigious and innovative global financial institutions has a requirement for an experienced Europroduct Trader, to be based in its Tokyo office.

The main thrust of this demanding role will be to manage the bank's fixed interest book and to develop street/retail investor demand for the bank's increasingly sophisticated europroduct. This would involve supporting a small sales team. A secondary responsibility will be to assist in the identification of origination opportunities.

Applicants, aged late 20's to late 30's, should be self-starters and strongly entrepreneurial in nature. They must have a profound knowledge of the Fixed Interest, Money and Derivatives Markets; in addition, experience of originating issues would be a distinct advantage.

Interested candidates should contact Andrew Stewart on 01-248 3653 (or 381 4067 evenings/weekends) or write, sending a detailed CV to the address below or use our confidential fax line on 01-248 2814. All applications will be treated in the strictest confidence.

76, Watling Street, London EC4M 9BJ — BBM ASSOCIATES — Tel: 01-248 3653

CONSULTANTS IN RECRUITMENT

INVESTMENT MANAGEMENT

Refuge Assurance requires an Investment Assistant to join its small team based in London managing a range of funds in excess of £2.5 bn.

The successful candidate will have a degree or professional qualification, and will probably be aged 21-25

A competitive salary will be paid.

Applicants should write to Frank Webster, Refuge Assurance PLC., 66, Gresham St., London, EC2V 7PQ

TRAINEE INVESTMENT ANALYST

Required to specialise in smaller U.K. financial service companies within a leading research team at **Smith New Court,** the international securities house. The position would suit an economics or accounting graduate, preferably with some work experience. Candidates with an outgoing personality and an ability to communicate both in the written and spoken word should apply in writing, enclosing a resume to:

Louise Holbourn, Personnel Manager, Smith New Court PLC, Chetwynd House, 24 St Swithin's Lane, London, EC4N 8AE

JUNIOR ECONOMIST

FINTECH (U.K.) LIMITED is seeking a Junior Economist to be responsible for the preparation of our monthly Foreign Exchange Outlook. The ideal candidate should have a degree in international economics with 1-2 years experience preferred. The ability to effectively analyse international economic/financial policies in terms of potential currency movements and to present it in a lucid and easily understood publication is a primary requisite.

Please reply to:-
Mr Donald R. Lewis
Managing Director
Fintech (U.K.) Limited
14, High Street, Windsor, Berkshire SL4 1LD

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Personal details to Box A1425, Financial Times, One Southwark Bridge, London SE1 9HL

Corporate Finance

ACA's/Young Executives for an Independent House

£25,000 + Substantial Bonus

Formed in early 1988, our client has built up an enviable reputation as one of the most highly regarded independent financial advisors in the international arena. Involved in many highly publicised deals last year the company is active in all areas of corporate advisory work including Mergers and Acquisitions, LBOs/MBOs and capital raising in both public and private markets.

The firm now seeks to recruit an additional executive to complete the small but highly respected and experienced team. Working as an integral part of the team, involved at every stage of the deal-making process, the work will be demanding and pressurised and candidates will need to possess the right balance of intellectual and personal skills.

Applications are sought from:

* Recently qualified ACA's from a top 10 firm.
* Graduates with at least 18 months' experience gained within the corporate finance department of a major bank.

On a personal level, individuals will need to be able to handle independence and responsibility as well as being tenacious and hard-working, enabling them to contribute to their own success as well as that of the company. The financial rewards will include a basic salary and a substantial performance-related bonus.

This is an excellent opportunity for ambitious, entrepreneurial-minded individuals. If you would like to discuss these positions further, please contact Penny Bramah on 01-831 2000 or write to her at **Michael Page City, 39-41 Parker Street, London WC2B 5LH.**

Michael Page City
International Recruitment Consultants
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EUROMONEY Conferences

The Conference Division of Euromoney Publications is seeking to recruit Conference and Seminar Managers for its growing international conference business.

SEMINAR MANAGER

This is a research/managerial position for seminars on topics related to financial markets, law and the petroleum business. The successful applicant will have an interest in at least one of these fields. Experience is not essential. Overseas travel is involved. Applications are invited from graduates aged 21 to 23. Salary negotiable.

CONFERENCE MANAGER

This is a sales position for a person with experience in the banking/financial sectors. The job requires an ability to research and develop programmes and sell sponsorship to senior personnel in financial institutions. Applications are invited from graduates aged 25-35 with a sales background, financial experience and a fluency in at least one other language. Salary negotiable.

Please apply in writing to: Diane Chaplin, Director of Administration & Personnel, Euromoney Publications PLC, Nestor House, Playhouse Yard, London EC4V 5EX.

A leading European bank, which has long been established in the city requires:

CREDIT ANALYST

Candidates should have 2/3 years experience in corporate credit analysis. Knowledge of syndications would be an advantage.

ACCOUNTS CLERK

Candidates should have 2 years experience in accounting and basic knowledge of computer system.

Salary with benefit package negotiable for the right individuals. Applicants should write enclosing CV and photo, indicating expected salary to:

Box A1423, Financial Times, One Southwark Bridge, London SE1 9HL

Regional Banking Manager

Birmingham

c. £40,000 p.a.

Car + Mortgage Benefits

Our client, a major international bank, is seeking an experienced corporate banker to manage and develop its Regional Office in Birmingham.

The successful candidate will ideally be aged 40-45, and have the following experience and skills:

* 10 years marketing/corporate lending experience
* Good communication and interpersonal skills
* Proven track record in people management
* Degree and/or professional qualification

This is a unique opportunity to play a key role in the development of the bank's marketing and product strategy in the UK.

An attractive remuneration package will include a company car, mortgage subsidy, life and pension benefits and private medical cover.

Please write with details of career to date to: J. D. Vine, (Ref. FT/10) Vine Potterton Limited, Wakefield House, 152/153 Fleet Street, London EC4A 2DH. Please state if there are any banks in which you would not be interested.

VINE POTTERTON
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To direct and further develop corporate business in the Midlands they seek an outstanding candidate, with a professional accounting or legal qualification to complement their highly successful team.

The Position

Working with the local Director, the successful candidate will influence the marketing strategy and direction of the corporate finance business, providing an advisory service to clients on mergers, acquisitions, MBO's, MBI's and flotations.

The Applicants

Applicants must be able to demonstrate a strong track record of achievements with a merchant bank or stockbroker.

The ability to communicate effectively at Board level is essential.

The Rewards

An excellent remuneration package including car and mortgage subsidy will reflect the importance of the appointment and the commitment of our client to attract exceptional applicants. Relocation will be provided if necessary.

Please apply sending applications stating full career details to ***Sue Wortley, Nicholas Andrews*** *at the address shown or telephone* ***021-233 4450*** *or* ***021-426 3484*** *(evenings) for a confidential discussion.*

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EUROPEAN EQUITY SALES — **£ Highly Neg**
Excellent opportunities exist with several city based Securities Houses for candidates with a proven track record in European Equity Sales, an established client base and good working knowledge of at least one European language, preferably Spanish, French, German or Italian.

ECP SALES — **TO £80,000**
This leading American Powerhouse with a newly established CP dealing team requires an outstanding Commercial Paper Salesperson. Principally selling $ ECP, you will have several years experience and an extensive client base, and will be rewarded accordingly.

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This leading UK Merchant Bank is currently expanding its Corporate Treasury Dealing Desk. Consequently we are seeking a highly motivated, high flying individual with over two years experience advising *Top UK Corporates on Forex, Money Markets, and especially IRS's and FRA's.*

IRS TRADER — **TO £40,000**
This major European Integrated Securities House, active in all Treasury Trading, requires a Swaps trader with experience of trading FRA's. In return you will receive very generous renumeration coupled with the benefits attached to working for a highly prestigious organisation.

JUNIOR EURO-YEN TRADER — **TO £30,000**
Our client, a leading trader of Euro-yen, is currently seeking an additional member to its team. Ideal candidates will be well educated and have about one years bond trading experience (preferably yen) from a well known institution.

5 London Wall Buildings
Finsbury Circus, London EC2M 5NT
Tel: 01-628 1727 Fax: 01-628 1392

IPS

Structured Finance

£30,000–£35,000

The London branch of this major international bank is expanding its special finance unit. This is a mature and high profitable unit active in such diverse areas as aircraft and project, property and LBO/MBO financing. This is a senior appointment and as such it is expected that candidates should have already gained considerable exposure to structured transactions covering some, if not all, of the relevant sectors. Candidates should have already built strong relationships with the major syndicating banks and be able to originate as well as negotiate and structure. The position is particularly suited to those looking to broaden their experience with an established name.
Contact Loretta Quigley.

UK Corporate Marketing

c. £45,000

The head of the UK lending unit of a major bank is seeking to restructure and strengthen his department with the appointment of an experienced marketing officer. He requires someone who can bring to the bank proven marketing skills, the ability to motivate and direct a team of account officers, and who has the experience necessary to help guide the long term development of the marketing effort. The client base is primarily top 500 corporates, although the bank is seeking to develop new business with smaller companies, and therefore an ability to evaluate risk and enhance the quality of the portfolio would be a significant asset.
Contact Jocelyn Bolton.

Interested candidates should telephone 01-489 9494 (Fax 01-236 6118) or write sending a detailed CV to 12 Groveland Court, Bow Lane, London EC4M 9EH.

CONSULTANTS IN HUMAN RESOURCING
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Ready to Manage a significant part of the dealing end of a rapidly expanding, high profile treasury team?

In addition to gilts investment & trading, UK FRN's and UK mortgage backed securities, your team will be responsible for producing exemplary results in the particularly complex fixed and floating US mortgage backed market, together with arbitrage across all instruments.

Previous success in, say, options and in the management of traders is essential. Familiarity as opposed to awareness of US mortgage backed securities an added bonus. A successful career in investment banking, when coupled with contentment to be measured on your team's "bottom line" is ideal.

Probably aged 26-35, older candidates will be considered if ample evidence is available of intellectual sharpness together with unusual flexibility, innovative flair and imagination, which is firmly rooted in logical analytical thinking. Base salary circa £60,000 plus bonus plus usual banking benefits.

Please send in strict confidence, a comprehensive curriculum vitae, including details of current remuneration and a daytime telephone number.

Your curriculum vitae will not be released to any third party without prior express permission.

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CORPORATE BANKING ⁂ THE PRIVATE BANK & TRUST COMPANY LIMITED offers comprehensive and quality private banking services to wealthy clients, investors, successful entrepreneurs and their connected companies, through its high calibre staff of well-qualified professionals. ⁂ We are expanding our corporate banking team in order to meet the requirements of customers. Opportunities are available which could interest you if you are: ⁂ An EXPERIENCED CORPORATE BANKER who has worked in the corporate finance area, a self-starter able to generate, evaluate and close deals with corporates in the manufacturing, property and service industries. ⁂ Your record of achievement has been gained in dealing at senior level with small and medium sized businesses in the UK. ⁂ You have been educated to university standard or have acquired a discipline in banking, accountancy or law. ⁂ *If you think you could become a member of our successful team, please write to:* A L Kingshott, *Executive Director - Banking*, The Private Bank & Trust Company Limited, Lansdowne House, Berkeley Square, London W1X 5DG.

EQUITY TRADING RESEARCH FOR 1988 AND 1989 GRADUATES

Fully Competitive

Our client is a leader in the rapidly growing international derivative markets, employing over six hundred people in several international offices. As principal traders they have an outstanding opportunity in their London equity research department.

Based in the dealing room this small team gathers and interprets all corporate news pertinent to FTSE 100 stocks. With the ability to quickly identify and quantitatively assess price sensitive information they have immediate input into strategic trading decisions.

Preferred applicants will have a related degree and some fundamental research skills gained from similar work experience. However all applicants should:

* Have the assertiveness and communicative ability to present information to dealers
* Have a genuine interest in the UK equity market
* Have the ability to assume early responsibility.

The successful applicants will be offered salary and benefits fully commensurate with their skills and prior experience.

For a confidential discussion of the above please telephone Veronica McPake, alternatively send a CV and covering letter to:

Recruitment Matters Ltd.
15 Great Eastern Street · London EC2A 3EJ
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Fax 377 1801

هكذا امتد الأصل

CREDIT ANALYST

City **up to £25,000**

Our client, a recently established banking arm of a large and successful Securities House, is seeking to recruit a Credit Analyst to join their expanding Credit department.

The successful candidate will join a small team of specialists undertaking credit reviews and analysis to support the bank's Account Managers and Product Specialists. This key role offers the opportunity to work on a wide variety of credit and business issues.

This role could offer an exciting next step for a young Credit Analyst working within an International arena, or a UK focused banker looking to develop their lending and credit skills. Applicants, in their mid 20's, should offer a sound academic background and the ability to achieve in a demanding environment.

For further information please contact Judy Elmes at:

WELL COURT ASSOCIATES
11 Well Court, London EC4M 9DN
Tel - 01 236 0723 Fax - 01 489 8305

WCA

Just because you are out of a job doesn't mean there isn't a job out there for you!

Many people assume that it is impossible to find "the right job for me."

It's so natural to maintain a blinkered view of your own potential that it's hardly surprising if you fail to achieve your true potential.

Chusid Lander can change all that. We are a group of specialist career consultants whose sole function is to guide executives and professional people (men and women earning £20k plus), to achieve their personal and financial ambitions.

We guarantee that we will commit our time and effort until you are satisfied that your career objectives have been realised.

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Salary Neg.

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We are looking for an additional Course Tutor and a Research Assistant to join our team. You must have excellent presentation skills, preferably experience in the financial sector, and an ability to grasp and communicate complex ideas. If successful you will share in the growth of a young and fast-moving company.

For both posts you should be aged 24-34 with a good first degree and possibly an MBA. Compensation will be based on experience and performance.

Write to Andrew Chisholm, Chisholm Roth & Company Ltd, Gossard House, 7-8 Savile Row, London W1X 1AF. Telephone 287-5577

Jonathan Wren Executive

LIFFE FLOOR TRADER/BROKER **to £50,000**

As a leading player in the futures industry, our client has a vacancy within their floor operation. The successful candidate will have at least 2 years trading experience and the personality that fits into a well integrated team.

Please contact Tim Sheffield on 01-623 1266

UK & EUROPEAN CORPORATE FINANCE MANAGERS **£30 - £50,000 + Package**

Leading international merchant banking group, strongly established in worlds major financial centres, seeks only 'top notch' graduate bankers to augment their highly successful UK and European corporate finance teams. High calibre candidates should have gained minimum 3-5 years M & A or other corporate finance experience within a top merchant, clearing, commercial or major European bank. Ability to speak a European language fluently will be considerable advantage for European business development. Highly competitive remuneration packages to attract best possible candidates will be negotiated.

Please contact Ron Bradley on 01-623 1266

LOANS ADMINISTRATOR - COMMERCIAL PROPERTY **c£20,000 + full banking benefits, including car & performance bonus**

Our client, a well-established British Bank, has a vacancy within its UK Commercial Property Division for an experienced property loans administrator. The position will suit a late 20's to mid 30's ACIB with a likely background in international/clearing banking. Relevant experience in all aspects of lending to individuals, corporates and partnerships is essential, preferably with an emphasis on bilateral and syndicated property funding facilities. Duties will include the control and monitoring of commercial property loans, the negotiation/preparation of loan documentation and all aspects of taking property as security.

Please contact Richard Meredith on 01-623 1266.

LONDON HONG KONG MIDDLE EAST SINGAPORE SYDNEY

Jonathan Wren
Recruitment Consultants
No 1 New Street, (off Bishopsgate), London EC2M 4TP
Telephone: 01-623 1266 Fax: 01-626 5258

RISK MANAGER

New Strategic Role

London or South East **Circa £45,000 + car**

Our client is a multi-billion pound UK industry currently undergoing substantial reorganisation. As a result, the restructured finance department requires a Risk Manager, who will report to the Treasurer.

This is a high profile job which is both advisory and administrative. The key objective will be to establish a corporate risk management strategy and ensure its implementation throughout the organisation. Other important tasks will include assessing the opportunities for self-insurance and coordinating insurances across all divisions. Of prime importance will be the individual's ability to inspire the confidence and commitment of senior colleagues in order to ensure the success of the programme.

Applicants should be insurance/legal professionals with a track record of achievement in applying risk management techniques, particularly within a large, industrial organisation. In addition, they must have the personal qualities to form constructive relationships with senior management whilst maintaining an analytical and objective overview of the Company's financial position.

The role will be located in London or the South East, candidates being free to state a preference. Base salary is also negotiable and applications are invited from all appropriately experienced individuals. Please write, enclosing full career details and CV, to Hilary Douglas, quoting reference C8621/11.

KPMG Peat Marwick McLintock
Executive Selection and Search
70 Fleet Street, London EC4Y 1EU

BANKING AND FINANCIAL RECRUITMENT
OPERATIONS MANAGER (DIRECTOR DESIGNATE)
Build on a Reputation

London ***Excellent package***

When it comes to banking and financial recruitment, our client's name is known in all the right places.

Part of an expanding UK group, its offices in The City and Europe provide a specialist consultancy service to a range of blue chip clients. But there is still plenty of potential waiting to be tapped - and an exciting future for the ambitious manager with the vision to unlock it.

Which is your cue. Taking control of the company's entire operation, you will be responsible for giving this famous name new direction. You'll benefit from plenty of support from the group, including a substantial programme of investment and dynamic plans for corporate growth. But mainly it will be your drive, your ideas, and your strategies that will make all the difference in shaping the company's future.

An experienced financial recruitment professional in your late twenties or early thirties, you will already have notched up a substantial track record within your present organisation. Now you are looking for a chance to demonstrate just how good your commercial and man management skills are - and to prove yourself capable of advancement to director status within a short space of time.

In return an excellent package is offered, which will *naturally include generous performance-related incentives.*

To apply, write with full career details to Wayne Rees, Otteridge & Co., 2 St. Augustine's Parade, Bristol BS1 4XG, listing separately any companies to whom your CV should not be forwarded.

OTTERIDGE
& COMPANY

Head Of Treasury Trading

Top City Merchant Bank

Salary c.£100,000 + substantial bonus

Our Client is a leading and well-established UK Merchant Bank of international standing, committed to providing its clients with a range of integrated financial services in selected geographical areas. It has a Treasury Division active in the foreign exchange, currency options, FRA's and futures markets, as well as in the more traditional cash markets.

Reporting to a Director of the Bank, and working closely with other Divisions, the appointee will be principally responsible for co-ordinating the interest rate and foreign exchange aspects of all instruments so far as market risk is concerned, and for managing the Dealing team. Initially joining as Assistant Director, it is envisaged that promotion to Director will ultimately follow dependent upon proven performance.

Candidates, probably aged between 35-45 years, are likely to come from a Banking/Financial Institutions background, must be able to demonstrate at least 5 years relevant experience in a Senior Treasury position, and have indepth knowledge of all the markets covered by the Division. They must possess an entrepreneurial and risk-taking mentality, with proven man-management and effective liaison skills, and have a "hands on" management style. An innovative approach together with the necessary energy, drive and presence to motivate the Dealing team are additional desirable factors.

This position offers an outstanding opportunity in a challenging and stimulating environment with a highly reputable organisation. Interested candidates who meet these criteria should send a comprehensive cv, including salary details, to Peter Sabine, quoting reference LM114, at Spicers Executive Selection, 13 Bruton Street, London W1X 7AH.

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A MEMBER OF SPICER & OPPENHEIM INTERNATIONAL

THE PRIVATE BANK & TRUST COMPANY LIMITED

CORPORATE BANKING ■ THE PRIVATE BANK & TRUST COMPANY LIMITED offers comprehensive and quality private banking services to wealthy clients, investors, successful entrepreneurs and their connected companies, through its high calibre staff of well-qualified professionals. ■ We are expanding our corporate banking team in order to meet the requirements of customers. An opportunity is available which could interest you if you are:

■ A YOUNG FINANCIAL ANALYST who has experience in banking or industry, a comprehensive knowledge of cash flow and balance sheet techniques, and the ability to evaluate business propositions. You are computer literate and likely to be a graduate and may have a background in economics, finance or mathematics. You are ambitious to become a corporate banker. ■ *If you think you could become a member of our successful team, please write to:* A L Kingshott, *Executive Director - Banking,* The Private Bank & Trust Company Limited, Lansdowne House, Berkeley Square, London W1X 5DG.

BUSINESS PLANNING OFFICER

Aeronautical Satellite Communications

Commencing in 1990, Inmarsat – the world's leading provider of mobile communications via satellite – embarks on a new and challenging business venture.

We have established a new Aeronautical Satellite Communications division to provide airline users worldwide with an efficient, high-quality Voice and Data Satellite Communications service at competitive prices.

Working in a small dynamic team responsible for business planning and development in the new division, you will be involved in the development of business plans, analysis of pricing strategies, market research, review of new business ventures relating to satellite communications services to airlines, and liaison with the airline community and satellite service providers.

In your early thirties, you will have an excellent academic record, most likely with an MBA or a good honours degree in economics. Leadership and demonstrated problem-solving expertise, together with strong conceptual, analytical and communicative skills are essential. Ideally, you will have had experience in the airline industry, specifically in business planning and market research, coupled with a knowledge of airline communications systems.

A competitive salary net of tax in the range £22,096 – £27,620 will reflect experience and qualifications. A first-class benefits package includes private health insurance, excellent pension scheme, five weeks' annual leave, and subsidised restaurant, plus expatriate benefits if applicable.

If you are interested in taking up this challenging role in the development of a new and dynamic business venture, please send your cv to Mike Stockford, **Ref: 3957/MS/FT, PA Consulting Group,** Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060.

Inmarsat

An outstanding career opportunity based in France

STRATEGIC CHARGÉ D'AFFAIRES

PARIS ATTRACTIVE PACKAGE & FREE ACCOMMODATION

Our client, one of the leading composite insurance groups in France, is seeking to expand upon its dominant domestic market position with an unparalleled plan of business expansion in Europe.

The Company wishes to recruit a young corporate strategist to work within the newly formed International Division. Reporting directly to the deputy Managing Director, you will have specific responsibilities for the researching and establishing a presence in Northern Europe and subsequent supervision of business affairs.

Your background should include a good degree/MBA supported by at least two years strategic experience in the financial services industry gained in a corporate, finance or marketing function. An ability to speak French and English fluently is imperative, together with a desire to work in the insurance industry.

For a strictly confidential discussion regarding this unique opportunity, contact Richard Aldermen, consultant to the company.

STEPHENS CONSULTANCIES

20 Cousin Lane, London EC4R 3TE. Telephone: 01-236 7307 Fax: 01-489 1130 Associates in New York & Tokyo

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Manager — Aircraft Financing
c.£40,000 p.a.

An established European Bank undertaking expansion in London seeks a professionally qualified banker with sound knowledge of lending generally, in addition to aircraft finance. Candidates aged late 20s-mid 30s will offer a minimum of 2/3 years relevant specialist experience and demonstrate management skills.

Business Development Manager
to £35,000 p.a.

A leading European Bank, recently established as a branch operation in London, requires an additional person to join the credit team and contribute effectively to both business development and account relationship responsibilities. Suitable candidates will demonstrate proficiency in lending, treasury and corporate finance business within the UK.

Account Officer — UK Corporates
to £25,000 p.a.

A reputable European Bank, currently expanding the London branch business, seeks an additional person, aged mid-late 20s, to undertake a relationship role with small-medium UK corporate clients. The blend of credit and administrative duties requires a background of international banking experience.

Marketing — Property Finance
c.£40,000 p.a.

Active specialist unit in an established European Bank seeks an additional person to function independently within the team. Candidates require cultivated corporate lending skills and a commitment to marketing and relationship management in the Property Finance environment.

Senior Analyst
c.£27,500 p.a.

A well regarded European Bank requires an ACIB qualified person, aged c30, to integrate into an existing team. The business is essentially UK corporates and the role requires detailed analysis skills in varied lending facilities. An exceptional opportunity for career progression.

Lending Officer
to £25,000 p.a.

An opportunity to join a specialist credit team and be fully involved in a responsible lending function. The duties require a degree or equivalent qualification, a bank background with disciplined credit training and previous experience to include customer contact.

These situations represent a selection of current assignments from a particularly active category of our specialist recruitment service.

For further details of either specific, or alternative and unadvertised positions; and to discuss potential career opportunities, please contact Frank Hoy, either by telephone or in writing.

GORDON BROWN & ASSOCIATES LTD.
RECRUITMENT CONSULTANTS

5TH FLOOR, 2 LONDON WALL BUILDINGS,
LONDON EC2M 5PP
TEL: 01-628 7601 FAX: 01-638 2736

Gordon Brown

FOREIGN EXCHANGE SPOT DEALERS

Experienced spot dealers are being sought by a number of City based banks. Specialists on Cable & DM and generalities on Swiss; Paris; Yen etc. are required. **Salary: Neg. £25-£40,000.**

CORPORATE DEALER

An excellent opportunity to join an expanding corporate team in a leading European bank to specialise in dealing on behalf of corporates; maintaining and developing new relationships. **Salary: Neg. £30-40,000.**

BUSINESS DEVELOPMENT/MARKETING
(Assistant – Manager – Senior Managers)

Vacancies exist with a Merchant and a European bank for first-class marketing specialists with proven success to date in the marketing of 'modern' banking services ie:– on and off balance sheet, treasury and capital market products – structured finance and cash-flow related business. Age range 27-38 years, exemplary credit assessment skills are a prerequisite. **Salary: V. Neg. £30-£45,000.**

CREDIT ANALYSIS

Since the New Year there has been increasing demand for young graduate credit analysts. On behalf of our clients we are now seeking applicants with experience of balance sheet appraisal, cash flow analysis and the preparation of lending propositions for both UK and International corporates. Successful candidates are likely to be aged in their 20's and have at least several years experience in this field. **Salary according to age/experience etc. £20-£30,000 range.**

SWAPS & RISK MANAGEMENT

Experience with major currencies, bonds, Euros, Caps and hedging etc., etc. is required to join a team of three in leading European Bank as No 2. **Salary: c£27,000.**

Please call or send detailed curriculum vitae on strict confidence.

OBSB
OLD BROAD STREET BUREAU
EXECUTIVE SEARCH & SELECTION CONSULTANTS
65 London Wall, London EC2M 5TU
Tel: 01-588 3991 Fax: 01-588 9012

BANKING OPPORTUNITIES

ORGANISATION & METHODS c £18,500

This major European bank seeks an experienced operations executive to assist in the planning, steering, implementation and supervision of organisation structure and procedures, including office systems and communications. Candidates must be literate and have a detailed knowledge of banking. A second European language would be desirable.

CORPORATE DEALERS & TRADER £25-60,000 +

We are seeking to fill the following positions for major international banks:–
- **Senior Corporate Dealer:** a high profile position requiring extensive cold-calling to expand the client base.
- **Corporate Dealer:** with 3/4 years' experience, ideally used to marketing to insurance companies and/or Lloyds.
- **Trader:** for $ or £ funding cash book with 18-24 months' experience to join an established team of thirteen.

INTERNATIONAL MARKETING to £45,000

This leading international bank is seeking to expand its European/Middle Eastern corporate finance team, with the addition of two young, energetic marketeers, fully conversant with a broad range of traditional lending and specialist financing techniques with leading multinationals, Governmental and State owned entities.

CREDIT/MARKETING SUPPORT c £25,000

This position offers a career opportunity for a young, ideally graduate/ACIB qualified banker with proven credit skills to take a first step into marketing. Supporting an established and successful marketing team, you will gain valuable experience of a wide range of commercial banking and capital market products within this respected European Bank, at an exciting stage in its development.

FINANCIAL SERVICES – DUBLIN Salary AAE

An international bank is seeking a Manager to establish a global securities custodian service in the new, offshore financial centre. Custody experience is essential, as is proven managerial ability. Some knowledge of Unit Trusts would be useful, together with exposure to Irish banking. You will be involved in all aspects of the start-up, including recruitment and the installation of systems.

STRUCTURED FINANCE to £24,000

On behalf of a prime European bank, we seek a computer literate executive, probably aged 28-35, who has received formal credit training, possibly following an initial period with a clearer. As a member of the structured finance team, the work will be project related and will concentrate on sensitivity, cashflow analysis and financial modelling. Excellent career prospects are promised.

PAN-EUROPEAN MERGERS AND ACQUISITIONS
MANAGER TO DIRECTOR LEVEL from £50,000-£200,000

The M/A department of an international bank is seeking European nationals to establish a presence in Europe. You are likely to be in merchant banking or a related area such as consultancy, accountancy or the strategy unit of a multinational. Although you are successful in your present role, you have ambition to develop this potential in arguably the most demanding financial sector. Primary geographical targets are Germany, Italy and Spain; you may also be a UK national living abroad who is demonstrably successful as a negotiator with European institutions. As this team is still in the formative stages, there are opportunities for candidates from Manager to Director status. More important is your perception of international corporate strategy, combined with a dynamic personality which will exploit these opportunities with the backing of a respected name.

For further information on these and other career opportunities, please contact: IAN DODD, RICHARD LYONS or LUCI DE NORDWALL

INTERNATIONAL FINANCIAL RECRUITMENT CONSULTANTS

7 Birchin Lane, 8th Floor
London EC3V 9BY

Devonshire Executive Ltd

Tel: 01 895 8050
Fax: 01 626 2092

A member of The Devonshire Group Plc

Shepherd Little & Associates Ltd
Banking Recruitment Consultants

MANAGER
FINANCIAL CONTROL
INTERNATIONAL BANK
£30,000 + Car

We are currently seeking a fully qualified accountant for a leading European bank. As Financial Controller (7 staff) the job will entail all accounting, reporting and balance sheet procedures. Candidates with a professional accounting qualification and banking experience will be preferred.
Please contact Mark Weeden.

SWAPS TRADER
c£27,000

An opportunity for a Swaps Trader with 2-3 years experience to join a respected European bank. Initially to be the junior member of a team of three, you should have a proven track record in risk management trading techniques, ie. futures, floors, caps, collars, etc, with a full understanding of structuring and pricing transactions.
Please contact Simon Pope.

ASSISTANT MANAGER
LOANS ADMINISTRATION
to £25,000

Our client is a European Bank expanding its trade finance and lending operations. It is currently seeking a mature, experienced individual to run the department of seven. The ideal candidate will be aged around 30 with at least five year's loans experience. The position reports directly to the Manager of Operations.
Please contact Mark Weeden.

Ridgway House 41/42 King William Street London EC4R 9EN
Telephone 01-626 1161

TD The Toronto-Dominion Bank

Director
Corporate Finance

The Toronto-Dominion Bank is a major international bank with a well established presence and reputation in London and other major financial centres. They now seek to further enhance their profile in the UK market and as a result seek a senior corporate finance executive.

The successful candidate will be responsible for delivering a range of bank products to a select group of the Times Top 1000 companies and will report directly to the Head of European Banking. The marketing strategy involves maintaining a commitment to relationship banking, while at the same time developing sophisticated transaction based products, built on specific customers needs.

Candidates should be self-starters with a proactive approach to the market, good credit and financial analysis skills and a willingness to operate within a close knit, highly profitable team.

If you are a graduate with UK corporate marketing experience and are looking for a move to a progressive AAA rated institution, offering a comprehensive and competitive remuneration package, then contact:

Niall Macnaughton on 01-248 3653
or write, sending a detailed CV to the address below (or use our confidential faxline on 01-248 2814).
All applications will be treated in the strictest confidence.

76, Watling Street, London EC4M 9BJ BBM ASSOCIATES Tel: 01-248 3653

CONSULTANTS IN RECRUITMENT

Challenging Opportunity
European M & A Analysis

City **£Excellent**

Our client is an autonomous, dynamic, global investment management firm backed by one of the world's most prestigious international financial institutions. They currently have $2.5 billion under management in global equity and fixed income portfolios.

In anticipation of the launch of a major new investment fund (approx. $0.5-1 billion) which will take substantial stakes in potential takeover bid situations throughout Europe, a *high calibre* M&A specialist is sought with substantial experience of M&A analysis including both quantitative and qualitative criteria.

Educated to degree or MBA and computer literate, the ideal candidate will be aged 28-35 and have several years of relevant experience. This should include a knowledge of European accounting standards and a thorough understanding of the M&A process gained preferably from within a strategic consulting or investment banking environment. Personal qualities will include a flexible, enthusiastic approach and good team spirit.

This role offers a uniquely challenging opportunity to candidates who thrive in an entrepreneurial and creative atmosphere and have the motivation and ability to make an impact on the firm's business within a relatively short time.

Interested applicants should contact Paul Wilson on 01-831 2000 or write to him at Michael Page City, 39-41 Parker Street, London WC2B 5LH.

MP
Michael Page City
International Recruitment Consultants
London Paris Amsterdam Brussels Sydney

CORPORATE FINANCE DIRECTOR

- **OUR CLIENT** is a British Merchant Bank with a well established corporate finance practice which has developed strongly and profitably over recent years.
- **THE REQUIREMENT** is for a Director to join the existing team, capable of making an immediate contribution to the growth and quality of the business at a senior level. The Director will report to the Head of Corporate Finance and will be given full scope to use and develop his skills and contacts in a collegiate and professional environment.
- **EXPERIENCE** must include success in handling the full range of corporate finance transactions for listed and unlisted companies. This will have been acquired in a merchant bank or stockbroking firm. Maturity, reputation, marketing and origination ability, and technical skills will be pre-requisites, as will strong academic/professional qualifications.
- **THE REMUNERATION PACKAGE** will be structured specifically for the individual and will include an attractive performance related bonus scheme as well as all normal fringe benefits.

Please reply in complete confidence quoting Ref. 1012/S in writing or by telephone to:
Mark Stroud, WBH/Alliance Consultancy
Rofel House, 1d Colet Gardens, London SW14 7DM.
Telephone 01-741 8461.

Chief Dealer

Money Markets **£Attractive + Package + Car**

A growing and profitable merchant bank, part of a large financial group, has an opportunity for a Chief Dealer in its Money Markets activity.

The Chief Dealer will be responsible for the management of cash positions, liquidity and short term interest risk, and will also play a key role in developing the bank's wholesale and retail deposit base.

Requirements are for at least five years' experience in a UK Merchant Bank or a European Branch running active sterling and US dollar books, including off-balance sheet instruments.

Interested applicants should contact Kate Griffiths on 01-831 2000 or write to her at Michael Page City, 39-41 Parker Street, London WC2B 5LH.

MP

Michael Page City
International Recruitment Consultants
London Paris Amsterdam Brussels Sydney

ASSISTANT MANAGER – EEC/EUROPE

The opportunity for a young professional to participate in a major City corporation's European business development programme.

This is an opportunity to join the International department of Lloyd's of London in an exciting new role which will help to pave the way for the further expansion of Lloyd's operations into European markets. The job will entail the study of insurance legislation of individual European countries, the monitoring and interpretation of EEC legal and trade directives and the promotion of new business development opportunities. There will be considerable contact with senior management within Lloyd's and externally with officials of governments and public authorities both in the UK and in Europe.

A degree in law, international affairs or languages would be appropriate and a number of years' experience in European commercial or financial affairs is considered essential. A knowledge of the insurance industry would be advantageous as would experience in work of an advisory or legal nature. You are likely to be aged in your mid to late twenties and must possess well-developed communications skills and a practical, adaptable, pro-active approach.

The position offers a competitive salary and an attractive benefits package including a Company car and generous mortgage subsidy. Above all, it offers the chance to establish your career in the European arena well in advance of the single market date. If you would like to be considered for this appointment, please write to **Michael Thompson at John Sears and Associates, Executive Recruitment Consultants, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9BP,** or telephone him on **01-222 7733** for a preliminary discussion.

John Sears and Associates A MEMBER OF THE SMCL GROUP

THE PRIVATE BANK & TRUST COMPANY LIMITED

PERSONAL BANKING ■ THE PRIVATE BANK & TRUST COMPANY LIMITED offers comprehensive and quality private banking services to wealthy clients, investors, successful entrepreneurs and their connected companies, through its high calibre staff of well-qualified professionals. ■ OUR CLIENTS expect our senior personal banking managers to recognise and interpret political, fiscal and economic events which impinge on their affairs; to understand their circumstances; to recognise their needs; and to solve their problems. ■ SENIOR MANAGERS in our Personal Banking Division have to be able to handle our relationships with groups of individual clients whose affairs may span a number of jurisdictions and financial markets. Their experience ensures they can manage rigorous international calling programmes to service clients and to develop the Bank's business. ■ We expect them to be educated to university standard or to have acquired a discipline in banking, accountancy or law. They are likely to speak another language, probably Spanish, French or Arabic. ■ *If you think you could become a senior manager in our successful team, please write to*: A L Kingshott, *Executive Director - Banking*, The Private Bank & Trust Company Limited, Lansdowne House, Berkeley Square, London W1X 5DG.

Leading City Financial Institution

Valuations Manager

c£30,000 Package Plus Quality Car.

Our client, one of the most respected names in the City, is particularly noted for its highly successful private client and institutional fund management operations.

The company now seeks an experienced manager to ensure the continued efficient running of its sophisticated valuations department and oversee its future development.

Ideally in your 30's, you should be able to demonstrate leadership qualities and a sound knowledge of securities markets. You should also have a full understanding of computerised systems and must bring a professional, dynamic approach to this important role.

The remuneration package consists of an attractive basic salary and profit sharing. In addition, there is a choice of quality car.

For a strictly confidential discussion please telephone or write to Fiona Law quoting reference 1268.

FLA
Financial Search and Selection
16 Old Bond Street London W1X 3DB
Telephone 01 491 3811

NIPPON KANGYO KAKUMARU (EUROPE) LIMITED

We are a powerful international financial institution with our head office in Tokyo and our European business spearheaded from our long established City base.

We currently seek to supplement our sales/trading staff with the services of:

EUROBOND MULTICURRENCY SALESPERSON, having proven European exposure and the ability to function profitably within our expanding team. Preferred age mid to late 20's. European languages an advantage.

JAPANESE EQUITY SALESPERSON, with 1 to 2 years, mainly UK institutional selling experience. Preferred age, mid 20's.

JAPANESE EQUITY WARRANT SALES/TRADING. We have limited openings at both Senior & Junior level.

Salaries are negotiable for all positions and interested applicants are invited to contact Neil Dewhurst, Nippon Kangyo Kakumaru (Europe) Limited, Garden House, 18 Finsbury Circus, London EC2M 7AT. Tel; (01) 638 4871

C D Dealer

c. £25,000 + Car + Benefits **Bristol**

The key to success within the fast changing financial services market is the quick response. At Bristol & West our small but active Treasury has seized upon the opportunities opened up by the Financial Services Act and is now one of the most successful in the country.

As C D Dealer you will be responsible for dealing with a large liquid asset portfolio, reflecting our position as one of the top ten Building Societies. The ideal candidate will offer:

- an instinctive feel for the financial markets.
- the ability to make fast and effective decisions
- a minimum of 2 years dealing experience preferably within the City

In return we are offering an excellent salary along with a range of benefits which includes concessionary mortgage, profit share scheme and relocation assistance along with the unique challenge of the City within a West Country environment.

For more details and an application form please write quoting reference number 373 to: Graham Heywood, Recruitment Manager, Bristol & West Building Society, PO Box 27, Broad Quay, Bristol BS99 7AX or telephone (0272) 225832 (24 hour answering service).

Bristol & West is an equal opportunities employer.

BRISTOL & WEST
BUILDING SOCIETY

Chief Executive's Department

Economic Development Unit

HEAD OF ECONOMIC DEVELOPMENT UNIT

£27,426 - £30,078 p.a. inclusive (under review)

Waltham Forest is an outer London Borough with many inner-city characteristics. The Council is determined to tackle the high levels of long-term unemployment and the effects which exist, *particularly in the south of the Borough, by means of a thorough* programme of community based economic development. The Economic Development Unit comprises some twenty staff organised in four teams. Do you have the skills needed to head the Unit, and to act as chief adviser to the Council on economic development issues?

You should have substantial management experience at a senior level. You will ideally have gained some of this experience in a multi-ethnic setting and have experience of developing community based economic initiatives. You must be able to demonstrate your high level of ability in management, communication and policy development. You must also be able to lead and motivate a multi-disciplinary and multi-racial team of officers, and to liaise effectively with the private sector, other employers, trade unions and community organisations. You should be adaptable and show an ability to innovate.

A relevant degree will be useful, though not essential. You must, however, display a sound knowledge of all aspects of local economic development and, in particular, of community economic initiatives. You will be able to demonstrate an understanding of your responsibilities under the Council's equal opportunities policies and of the economic issues facing black and ethnic minorities, women and people with disabilities.

A knowledge of the operation of micro-computer systems is desirable, although not essential.

Closing date: 2.2.90. Ref: H2/FT

► Application form and job description from: Recruitment Officer, Personnel Department, Town Hall, Forest Road, Walthamstow, London E17 4JF. Tel: 01-531 8899 (24 hour answering service).

This post is available for job share.

Waltham Forest is a multi-racial area and we are anxious to ensure that this is reflected in our workforce. All applications for jobs are considered on merit with equal opportunities for women, black and ethnic minorities, lesbians and gay men and people with disabilities.

THE LONDON BOROUGH OF
Waltham Forest

AN EQUAL OPPORTUNITIES EMPLOYER

AAA-rated **City**

The London Branch of BAYERISCHE LANDESBANK is recruiting a

Corporate Dealer

The right candidate will have the personality and ability to develop product sales activities with corporate clients within a small successful team and make an immediate impact.

Ideally, the successful candidate will be conversant with all treasury products and possess a minimum of three years experience in this sector.

We are offering good long-term prospects and a competitive, negotiable remuneration package.

Please reply with CV giving full details of career to:
The Personnel Manager, Bayerische Landesbank Girozentrale, Bavaria House, 13/14 Appold Street, London, EC2A 2AA.

Bayerische Landesbank
Girozentrale

RESEARCH MANAGER INVESTMENT ANALYSIS

BASED: WEST SUSSEX
C.£30,000 + CAR + BANKING BENEFITS

Our client is a major financial services group which through expert asset management and marketing flair now has over £2.5 Billion under management. Rapid growth has resulted in the need for an experienced analyst to direct its U.K. Equity Strategy which is handled by 32 financial centres throughout the U.K.

Candidates, aged up to 45, will need to possess an ability to identify and optimise the returns from trends in the U.K. market and to exhibit a high degree of original ideas. Your ability to demonstrate success in a similar role is essential.

Career opportunities are excellent in a culture that encourages as well as rewards success. The role is based in West Sussex and could appeal to someone with solid experience in the city who would welcome the opportunity to take on a broad management role in this attractive working environment.

Interested candidates should contact Stephen Marley at Ashwood Associates:

ASHWOOD ASSOCIATES
Recruitment and Management Consultants

Ashwood House,
184 Dukes Ride, Crowthorne,
Berks. RG11 6DS.
Telephone: 0344 780322
Fax: 0344 780013

COMMONWEALTH BANK OF AUSTRALIA

ECONOMIST

The Commonwealth Bank of Australia is a major Australian bank with an established presence in the European foreign exchange, capital and money markets.

We are seeking a practical economist to join our Treasury Services group which provides direct support to the diverse trading operation and our broad range of clients.

This person should be in their early to mid twenties, possess a good first degree in economics and possibly a relevant postgraduate qualification. Work experience in financial markets and computer literacy are essential.

A competitive salary package embodying the relevant banking benefits will apply. If you believe your experience and ability suit this challenging position please send your curriculum vitae (CV), including present remuneration, *to:*

The Personnel Manager
COMMONWEALTH BANK OF AUSTRALIA
8 Old Jewry, London EC2R 8ED

COMMONWEALTH BANK OF AUSTRALIA

PRIVATE CLIENT and INSTITUTIONAL SALESMEN UK - EQUITIES

Stock Exchange and TSA Member Firm in Tunbridge Wells offers good opportunity to qualified salesmen with client base to join Equities/Traded Options team.

Suitable candidates should forward their CV's to:
LENOX DUBROW Ltd.
1, Boyne Park Tunbridge Wells, Kent TN4 8EL
FAX: 0892 546300

US EQUITY BROKERS

We are looking for professional Sales/Traders in U.S. market to joint our expanding London Office.

If your are self motivated with a solid background in US Equity Sales and have an established institutional client base, we would like to talk to you.

Please contact Davis Bader, Cantor Fitzgerald (UK) Limited 01-374-4565 or write to:

Davis Bader
Cantor Fitzgerald (UK) Limited
Park House, 16 Finsbury Circus
London EC2M 7DJ

RATHBONE

ロンドン・ブローカー・オポチュニティー

スワップ：ロンドンのスワップブローカーが現在、極東マーケットに進出するために日本語を話す人材を求めています。（ポジションはトレイニーからマネージャーまでいろいろなものがあります）

先　物：インターナショナル・バンクがロンドン・オフィスにてジュニア先物ブローカーを求めています。（先物マーケットの知識とブローカーの経験が6ケ月以上ある方）

詳細はマイケル・ブレナンまで御連絡ください。

Michael Brennan (01) 287 5704/5
77 Oxford Street, London W1R 1RB.

USA EQUITY ANALYST

Lombard Odier is a mid-sized international group with a record of dynamic growth. An opportunity has now arisen for a USA Equity Analyst to join our performance-orientated investment management team.

The ideal candidate, aged in their mid 20's, should demonstrate an excellent track record of effective stock analysis. He or she should be numerate and able to work within a prescribed "top-down" strategy requiring the identification and selection of relevant investment opportunities.

We offer a professional working environment combined with competitive compensation.

In the first instance please send a full CV and a covering letter to:
W.G.Bridges, Lombard Odier (UK) Ltd., Norfolk House,
13 Southampton Place, London WC1A 2AJ.

Lombard Odier (UK) Limited

JACKSON SHIRES is a search and selection consultancy specialising in the following sectors - Trade Finance, Corporate Finance, Foreign Exchange, Capital Markets, SWAPS.

CURRENCY SWAPS BROKER — to £70k

The successful applicant will be an established SWAPS Broker with strong and effective relationships in the French Market. You will be joining an established team whose European lines will be more profitably serviced with this appointment.

SWAPS DEALER — to £100k

Based within a bank that acts a both principle and arranger for currency and interest rate SWAPS, you will have at least two years experience and be able to make a positive technical contribution to structures including Asset, Zero-coupon and Amortising.

NEW PRODUCT SALES — *to £45k + Bonus*

To strengthen this International Bank's London team you will be able to contribute an established European/Scandinavian client base, and have the structural ability to offer a Risk Management Service to the expanding supranational - corporate client base. You will have had exposure to OTC options, Swaptions and derivatives.

FIXED INCOME SALES — to £100k

Non US Dollar, knowledge of OTC options.

If you are interested in the above position, or developments within the SWAPS job-market, please contact us on 01-628 6020.

Please contact
109 Old Broad Street
London EC2N 1AP
Tel: 01-628 6020 Fax: 01-628 7781

JACKSON SHIRES

CONTRACTS & TENDERS

GOVERNMENT OF PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN
MINISTRY OF AGRICULTURE AND AGRARIAN REFORM
IRRIGATION AND LAND RECLAMATION DEPT.
WADI HADRAMOUT AGRICULTURAL DEVP. PROJECT - PHASE III

BID NO. 1 CONSULTING ENGINEERING SERVICES

The Government of PDR Yemen has received credits from the Kuwait fund for Arab economic development (KFAED) and the Arab fund for economic and social development to finance *Wadi Hadramout Agricultural* Development Project - Phase III, and intends to apply a part of the proceeds of this credit to eligible payments under the consulting engineering services contract for which this advertisement is issued.

Bid will be subjected to international competitive bidding in accordance with the Kuwait fund and the arab fund & IDA bidding regulations.

Bidders and goods including ancillery services of Israel and South Africa are not eligible.

Interested bidders may obtain the prequalification document and the tender documents at a non-refundable fee of Yemeni Dinars 25/- or its equivalent for the prequalification document and Yemeni Dinars 75/- or its equivalent for the tender documents payable to: Ministry of Agriculture and Agriculture and Agrarian reform - P.D.R.Y.

Bidders should submit bid bond for an amount of 3% of the total bid value issued by or through National Bank of Yemen in order to secure validity of their proposals. Bids without such bonds will not be considered. Bid bonds will be returned back to unsuccessfull bidders after award of tender.

Successful bidder will have to submit performance bond for an amount equivalent to 10% of the total cost of tender.

Bids have to be valid for a period of 90 days from the date of opening of bids.

Bids must be received (at the address below) on or before 12.00 noon, 17th March 1990.

The purchaser reserves the right to accept or reject any bids, and to annul the bidding process and reject all bids. At any time prior to award of contract.

Sealed bids should be submitted in four copies marked "Bid no. 1 consulting engineering service - Wadi Hadramout Agricultural Development Project - Phase III", addressed to:
The Secretary
Central Tender Board
Public Treasury
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PUBLIC NOTICES

MMC INVITES EVIDENCE ON BRITISH STEEL'S ACQUISITION OF C WALKER & SONS (HOLDINGS) LTD

The Monopolies and Mergers Commission would like to hear from any person or organisation with information or views on British Steel PLC's proposed acquisition of C Walker & Sons (Holdings) Ltd.

The Commission will be studying the possible effects of the acquisition on the steel stockholding market.

The Commission would like evidence in writing by Friday 26th January 1990 to be sent to: The Reference Secretary (British Steel/Walker Inquiry), Monopolies and Mergers Commission, New Court, 48 Carey Street, London WC2A 2JT.

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CHANCERY DIVISION

IN THE MATTER OF

LEISURE INVESTMENTS PUBLIC LIMITED COMPANY

AND IN THE MATTER OF

THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 18th December 1989 confirming the reduction of the capital of the above-named Company by £93,000,000 to £869,161 was registered by the Registrar of Companies on 20th December 1989

Dated this 8th day of January 1990

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ACCOUNTANCY COLUMN

International standard that does not exist

Roy Thomas, finance director of Fisons, takes issue with Professor Nobes over the topic of goodwill and finds fault with the way the Accounting Standards Committee's stance is defended

PROFESSOR NOBES, in the Accountancy Column on December 21, set out the conventional, theoretical accountant's argument for capitalising acquired goodwill and amortising it over a number of years.

As he is a member of the Accounting Standards Committee, it is reasonable to assume that his views reflect the majority opinion of that august body. It is therefore all the more unfortunate that such flawed, inconsistent arguments should be used to defend the ASC's stance.

No doubt financial managers and leaders in industry will view these developments with dismay. To date, however, the voice of industry has not been clearly heard in the debate, and it is time that issue is taken with some of the less practical notions being advanced. It is time, too, that a stand should be taken against what appears to be an attempt by the ASC to force a new standard through against widespread opposition.

First, to take up some of the points made by Professor Nobes. There can be little argument that goodwill – and particularly acquired goodwill – is an asset with a definable cost.

Clearly, on acquisition, it is the difference between the value of net tangible assets and the purchase price paid. Therefore to capitalise it must be right: the debate is all about what happens thereafter.

Currently, companies may choose to amortise it over a period of years, or write off the whole amount at once against reserves.

Most choose the latter. That is not entirely logical: if goodwill has a value on acquisition, it seems strange to assume that value should vanish from the balance sheet within the same accounting year.

By writing it off, companies create an artificial situation where their net worth in real terms is clearly higher than is reported in the balance sheet. Not only does that distort the measurement of return on assets employed, but it can also lead to an unrealistically pessimistic view of the company's debt capacity.

Fortunately, the more sophisticated banks and rating agencies recognise that at present, and take it into account when assessing creditworthiness.

Moreover, of the two courses of action, immediate write-off is preferred to amortisation, which is arbitrary, notional and unrelated to reality insofar as the residual value of goodwill is concerned, as it represents a conservative approach to balance-sheet valuation.

So far, so good. From here on, Professor Nobes starts to stray badly. First, he makes the assertion that although amortisation would result in double counting, that is irrelevant.

Yet Graham Stacy and David Tweedie showed clearly in their article in this column on December 7 that the cost of "maintaining" goodwill by self-generation is a real one, and that the double charge would be inconsistent with normal accounting practice.

Professor Nobes then goes on to talk about goodwill as "wearing out" as if it were a machine.

Recent work done on the value of brands exposes that myth. Intangible assets cannot be treated in the same way as a piece of plant, with a finite life and a measurable depreciation rate. Professor Nobes acknowledges the arbitrariness of the depreciation charge for goodwill but then blithely dismisses it as applying equally to all assets, and justifies the use of "best estimates." Surely that is not true.

A motor car has a finite life and a reducing value which can be accurately assessed; so has a machine in a factory, or a computer. Professor Nobes cannot seriously compare goodwill to such assets.

Some goodwill may have an almost infinite life, while other may disappear immediately in the hands of a new owner. What was interesting in the brands studies was just for how long some brands can be sustained, and even grow in value.

But where I really take serious issue with Professor Nobes is over inter-company comparisons.

He argues that standard amortisation treatment is important to enable proper inter-company comparisons and international comparisons to be made.

That smacks of the serious mistakes the ASC made over current cost accounting. Never mind the logic, or what is right, as long as everyone is calculating it in the same way, so we can carry out satisfactory comparisons. He then immediately contradicts that argument by asserting that financial analysts are not misled by the depressive effect of amortisation on earnings, and will adjust in the valuation of shares for goodwill charges!

It is certainly not my experience that financial analysts are willing to recalculate companies' earnings to adjust for notional charges.

In fact, they accept what is reported at face value and there is no evidence that their assessments take account of inconsistencies in accounting treatment. Surely, in any event, the need to adjust demonstrates the folly of the proposal to amortise? Alternatively, if they feel the need to adjust for the effect of goodwill, it is even easier to do if the full, acquired value is shown on the face of the balance sheet.

Professor Nobes betrays the source of his concern when he addresses international competition.

What this debate is really about is the ASC's desire to conform to international standards, to bring the UK into conformity with accounting practices in other countries.

Presumably the American establishment has been complaining about the unfair advantage our practice affords UK predators. Is that a good reason for adopting such an unsatisfactory standard? Are we sure that other countries have got it right? What about other large differences in accounting as practised by the West Germans and French for instance: should we sacrifice our sensible approach in the interests of a spurious harmony?

The last straw comes with Professor Nobes' statement: "Given the lack of long-run success of many mega-mergers and takeovers, it seems . . . that UK directors buy too many companies."

Try telling that to two of our most successful corporations, Hanson and BTR.

No, Professor Nobes, this will not do. By all means capitalise acquired goodwill. By all means review its value regularly, just as we do with other fixed assets, such as property. If there has been diminution in value, adjust for it. But the proposal to amortise goodwill over some notional, standard period of years as if it "wore out" in a straight line is misguided and inappropriate.

This is a matter of vital importance to UK industry. We must resist the attempt by the ASC to foist upon us impractical, highly theoretical standards in the interests of an international conformity that clearly does not exist.

It is time the voice is heard of managers who will have to implement these proposals and justify the consequences to their shareholders.

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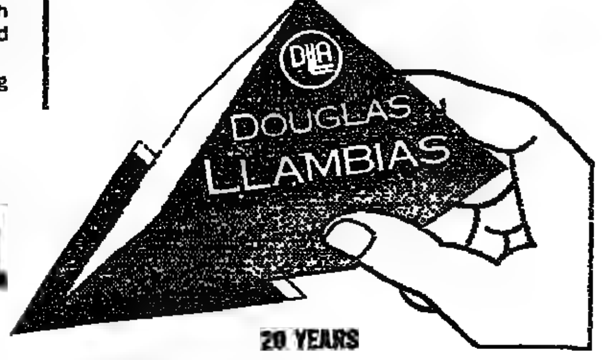

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FINANCE DIRECTOR

Northampton **£47,500 plus car**

This UK based, £400 million turnover group is a market leader in its field, selling its products through some 200 branches. The group has been created by the recent merger of two geographically complementary companies, and further acquisitions are planned. Restructuring has created a new position and the company is now looking for an energetic and enthusiastic accountant to control the finance function of its main trading subsidiary.

The department comprises about 60 people, including 3 qualified accountants, and the position will report to the Managing Director. Primary responsibility will be for the co-ordination and supervision of all finance activities, particularly planning, systems, management information and operational audit. Good communication skills are necessary to establish and maintain effective working relationships with other executives in the group.

Candidates must be qualified accountants able to demonstrate a progressive career in challenging environments. An appreciation of commercial computer applications is a prerequisite and a background in retail or wholesale distribution would be an advantage. We require evidence of an ability to delegate, and also to retain control of a large and diverse department.

Interested candidates should send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref 3093 to Vivienne Hines, Executive Selection Division.

Touche Ross
5th Floor, 52/54 High Holborn, London WC1V 6RL.
Telephone: 01-353 7361.

SYSTEMS/PROJECT ACCOUNTANT

TELEVISION

London | ACA/ACMA/ACCA | to £30,000 + Car

Our client, a well known television company, can boast an impressive growth record since its inception both in terms of audience and profit levels.

As a consequence of this expansion and subsequent reorganisation a need has arisen for an additional team member to perform a newly defined role in the finance function.

This high profile position reports to the Finance Director and will require expertise both in management accounting and systems.

Particular emphasis will be placed on computer systems development covering primarily financial areas.

Applicants should be qualified accountants with excellent interpersonal capabilities. Technical strength and commercial flair are prerequisites. The ability to communicate effectively at all levels is of paramount importance. Candidates should also be self-starters and possess a flexibility of mind and approach to succeed in a fast moving culture.

Interested applicants should contact Paul Cashman on 01-437 0464 or write to him, enclosing a brief curriculum vitae, at the address below.

ROBERT • WALTERS • ASSOCIATES
RECRUITMENT CONSULTANTS
Queens House 1 Leicester Place London WC2H 7BP
Telephone: 01-437 0464

FINANCIAL DIRECTOR (DESIGNATE)

Birmingham **Up to £35,000 + Car + Benefits**

The Richards Group, an established PLC, has embarked upon a far reaching programme of development and expansion through organic growth and acquisition. *Moving away from its origins in* the foundry industry, the Group is concentrating on developing its engineering, distribution and servicing skills to meet the challenge of the European market place in the 1990's. Turnover is presently £17m and projected to double over the next year and it is against this background of growth, change and opportunity, that they wish to appoint a Group Finance Director (Designate).

The successful applicant will take on full *responsibility for the day-to-day financial* management of the Group. Working closely with the Managing Director, you will play a key role in the Group's strategy of growth through acquisition. You will be required to maintain and develop *existing administrative and accounting systems and* procedures, ensuring that the financial and management information is generated to a state of sophistication appropriate for future business strategy and business policy.

Candidates will be qualified Chartered Accountants or Management Accountants, who have been successful in directing the financial function of a *company within a fast moving, commercially* orientated manufacturing context and are now ready for a decisive career move with a progressive company. A practical approach is essential as is the ability to be self sufficient. The environment is highly entrepreneurial and you will be working with a small, young and dynamic team. Experience of managing computerised systems development is also essential.

The role represents an opportunity to make a *significant personal contribution* to the company's growth strategy, being closely involved with the detail of the business and providing considered financial analysis, evaluation and comment.

If you feel you have the necessary qualities and would like to be considered for this exceptional career opportunity, please write with full career and salary history details, quoting reference B/249/90, to David Gibbs.

KPMG Peat Marwick McLintock
Executive Selection
Peat House, 2 Cornwall Street, Birmingham B3 2DL.

Director of Finance

£150,000–2 Year Contract

London

Managing change on a large scale produces demands that only the very best are qualified to handle.

As one of Europe's largest IT development programmes moves towards the implementation and operational stage, a Director of Finance is needed to provide a high calibre financial dimension to the change process.

You will assume full responsibility for all aspects of the finance function including the specification and implementation of accounting systems capable of supporting £ multi-million operating budgets.

To fulfil this demanding role, you will be a qualified accountant with exceptional technical and business skills. Experience at Director level or equivalent in a commercial environment is essential.

In addition, diplomacy, tact and versatility will combine with self-confidence, energy and tenacity to see this role through the next two years of operational and cultural change. Age is less important than the above characteristics.

Extensive UK travel is likely, although the position will be London based. The changing needs of the organisation will remove the challenges offered by this unique post after 2 years. Consequently the position is being offered on the basis of a 2-year inclusive contract. Alternatively, a two year secondment would be considered.

If you welcome this type of challenge and believe you have the skills to lead this evolutionary process, then either telephone Christopher Hetherington on 01-334 5731 or alternatively write to him quoting reference C/0042FT. Complete confidence regarding your initial contact is guaranteed.

Executive Selection Division
Price Waterhouse
Management Consultants
No. 1 London Bridge
London
SE1 9QL

Price Waterhouse

Finance Director

London/Essex Borders — £50–£55,000 + car

Our client is a well established and expanding publicly-quoted retail organisation with outlets throughout the U.K. Turnover is in the area of £50m.

Reporting to the chairman and managing director, the finance director will assume overall responsibility for the finance and accounting functions. Of prime initial importance will be to undertake a review of the financial operations with a view to the recommendation and implementation of enhanced systems, policies and procedures. It is intended that a fully integrated EPOS system be installed in the medium term.

To be considered for this challenging role, candidates will be qualified accountants with senior financial management experience gained in a retail environment. Previous experience in the development and implementation of systems and procedures is essential as is a well developed commercial awareness. Some knowledge of EPOS is required. A hands-on approach combined with the drive and credibility to participate actively as a member of the senior management team is a must for this high profile role.

Please send career and personal details, quoting reference F/170/F to Frances A. Bell at Ernst & Young Search and Selection, 21 Conduit Street, London W1R 9TB.

Ernst & Young

SEARCH AND SELECTION

Finance Director

Milton Keynes — £50,000 + car + profit share

As part of an international, publicly quoted group of companies, our client is a premier software consultancy with turnover c.£130 million.

Reporting to the managing director, the finance director will play a key role as part of the management team in taking the business forward during a time of major restructuring. A significant task will be the overhaul and restructuring of the sizeable finance function and its systems.

To be considered for this position, candidates will be qualified accountants aged 35-45 with senior level management experience gained within a sizeable fixed price contract environment. Essential requirements are a record of successfully managing change and a commercial awareness of the issues pertinent to the business.

Please send career and personal details quoting reference F/660/A to Carrie Andrews, Ernst & Young Search and Selection, 21 Conduit Street, London W1R 9TB.

Ernst & Young

SEARCH AND SELECTION

Finance Director

Birmingham — £27,000 + car

Our client is a specialist international transport and distribution company, and part of an expanding group. Following a recent major restructuring, a Finance Director is required for the 1990's during which considerable development is planned.

Reporting to the Managing Director, this appointment will be responsible for the full range of management and financial accounting systems, key tasks initially being the improvement of cash and asset control through the development of those systems. In the longer term the position will contribute to growth strategy and implementation.

Candidates must be qualified accountants with an exposure to wider commercial or general management responsibilities. Experience in a fast moving organisation is essential, preferably with exposure to efficient import or export procedures, and multiple currency transactions. Excellent communications and man-management skills are prerequisites for success in the post, as are motivation and enthusiasm.

Please reply in confidence with full career, personal and salary details, quoting reference R185 to: Derran Sewell, Ernst & Young Search and Selection, Lowry House, 17 Marble Street, Manchester M2 3AW.

Ernst & Young

SEARCH AND SELECTION

Burmah

Burmah Oil Trading Limited

Financial Analyst

Swindon — c. £25,000 + car

Burmah is a major blue-chip international organisation with group turnover in excess of £1,500 million. The Castrol and Speciality Chemicals divisions have operating companies in nearly 40 countries with substantial interests in shipping and other energy related activities.

As the Financial Analyst working in the Head Office Corporate Development Group, you will be involved in a challenging range of projects including reviewing the impact on the Group of major policy and investment proposals and participating in strategic planning. It provides the opportunity to work as part of a small team on varied and conceptually interesting issues.

To be considered for this high profile position you will be a young chartered accountant who can contribute effectively at a senior level. Your contribution to the success of the Corporate Development Group will be matched with a first class rewards package which includes a currently non-contributory pension scheme, on-site sports facilities, a generous relocation package and an executive car. This position is seen to be an excellent route to a number of career development opportunities.

Please send your CV or telephone Nicolas Mabin (01-495 7808) at Ernst & Young Search and Selection, 21 Conduit Street, London W1R 9TB, quoting reference F/840/N. (Fax No: 01-495 3011). Interviews can be held locally.

Ernst & Young

SEARCH AND SELECTION

Challenging Banking roles with Citicorp in Switzerland

Citicorp Investment Bank (Switzerland) with offices in Geneva, Lausanne, Lugano and Zurich specialises in wealth management for private clients around the globe. We now have the following opportunities for high calibre individuals to apply and develop their existing skills with one of the world's foremost banking institutions.

RELATIONSHIP MANAGER – German Market Head – Zurich

Our highly trained Relationship Managers manage all aspects of our clients' financial affairs and serve as a personal link with Citicorp experts worldwide.

An experienced banking professional you will be responsible for promoting a wide portfolio of products towards a target sector of established and newly emerging German entrepreneurs. As well as providing professional banking, credit, investment counselling, real estate and fiduciary services, you'll be expected to devise and implement longer term business development plans appropriate to the individual requirements of your clients.

Ideally, you'll have a working knowledge of tailored finance for individual wealth creation, the provision of initial equity market sponsorship or the negotiation of company mergers and acquisitions.

We expect you to have proven management skills as you will be managing a small team of professionals and will be expected to give strategic direction to our marketing efforts.

INVESTMENT MANAGERS – Zurich & Geneva

We are seeking senior investment professionals with experience in international portfolio management or in investment counselling for private clients.

Candidates should be experienced in dealing in international capital markets, equities and derivative products. Proven ability and track record is essential.

We would be interested to talk to you if you are already working in Switzerland or perhaps you feel that your foreign assignment is coming to an end and you want to return home. Please send your CV with full details of current salary or call: Citicorp Investment Bank (Switzerland), P.O. Box 244, Attn: Mr. Walter Hiltbrunner, Personnel (tel. 411/205 78 18), 8021 Zurich, Switzerland.

A Citicorp Company

Citicorp Citibank

Manager-Financial Planning & Analysis

C. London — £33,000 + Bonus, car & subsidised mortgage

Our client is a major British financial institution embarking on a programme of organisational change directly geared to meeting the highly competitive business needs of the 1990s. Central to the new philosophy has been the establishment of a group operations function which provides full operational, IT and premises support to the front line sales units. The finance team within the new structure is a crucial component to the success of this strategy.

Reporting to the Head of Management Reporting and Planning, the appointee will be responsible for providing timely, strategic information on business performance. Duties will encompass the annual operating plan and three year plan, quarterly reports and high level reviews for the Chairman and board, profit forecasts and monthly management accounts. There will be extensive liaison with operating divisions, providing advice and co-ordinating information flows in accordance with strict and demanding deadlines.

Candidates will be qualified accountants aged 28-35 who have worked in a budgeting and planning role. Whilst financial services exposure is not required, you must have gained your experience in a large, probably multinational company. Personal qualities will include maturity, the capacity to lead, persuade and inspire confidence and good interpersonal skills. To be successful will require an organised, methodical approach, a commitment to high standards, analytical ability and determination.

In joining a major company with a commitment to developing staff, prospects are genuinely excellent.

Please reply in confidence, quoting Ref ER 219 to Brendan Keelan, adviser to our client, giving concise career, salary and personal details at Ernst & Young Search and Selection, 21 Conduit Street, London W1R 9TB.

Ernst & Young

SEARCH AND SELECTION

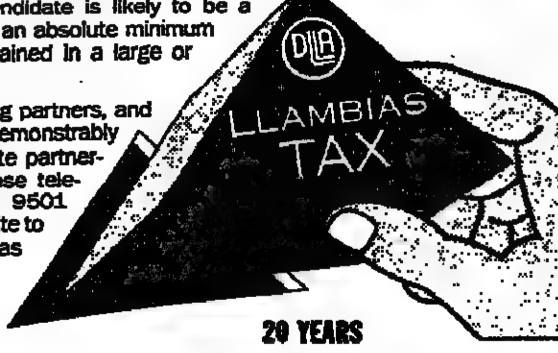
CORPORATE TAX PARTNER

Bristol £50,000–£100,000

Our client is an International Firm of Chartered Accountants enjoying an enviable reputation in Bristol, with a prestigious client base ranging from well known public companies through to dynamic local businesses.

The need has arisen to appoint a specialist Corporate Tax Partner, possessing the high level of technical expertise and the personal qualities necessary to contribute fully to the continued development of a thriving Tax Practice. The successful candidate is likely to be a Chartered Accountant, aged 30-45, with an absolute minimum of 5 years' Corporate Tax experience gained in a large or medium firm environment.

Applications are invited both from existing partners, and from top quality Senior Managers with demonstrably successful careers to date and immediate partnership potential. In the first instance, please telephone Martin Purrier ACA on 01-836 9501 (evenings/weekends 01-567 4413) or write to him quoting Ref: 3711 at Douglas Llambias Associates, 410 Strand, London, WC2R 0NS. All enquiries will be treated in the strictest confidence.



20 YEARS

PUTTING THE RIGHT PEOPLE IN THE RIGHT JOBS

Douglas Llambias Associates, FREEPOST, 410 Strand, London WC2R 0BR.

BIRMINGHAM 021-233 4421 • DUBLIN 608620 • EDINBURGH 031-225 7744 • GLASGOW • 041-226 3101 • LONDON 01-836 9501 • MANCHESTER 061-236 1553

CONSULTANCY FOR ACCOUNTANTS

Home Service, the largest operating division of Prudential Corporation, sells life assurance and general insurance products directly to customers via our own sales force. We are currently experiencing one of the most dynamic periods of change and development in our history.

The Division has established a professional in-house Finance Consultancy based in Central London. Liaising closely with both financial and operational management, the team is dedicated to providing expert advice and guidance on a wide range of development work.

FINANCE CONSULTANT

£26-30,000 + financial sector benefits

In this challenging role, you will be providing support and project management to a wide range of development programmes throughout the Division. This will include operational review, financial appraisal and the design of innovative solutions to business issues.

The need is for an Accountant with at least two years post-qualification experience. Self-motivation and a flexible approach must be coupled with excellent written and verbal communication skills. Problem-solving ability is essential.

SYSTEMS ACCOUNTANT

c.£26,000 + financial sector benefits

To meet the challenges of the 1990s we are making a substantial investment in new systems. We require an additional Systems Accountant who will be responsible for accounting and financial control aspects of new systems and proposed system changes. These range from specification of requirements and analysis of procedures through evaluation to implementation of solutions.

The need is for an Accountant, probably qualified, with a strong systems background and the motivation and adaptability to work both individually and as part of a team. You will be liaising with technical specialists and users throughout the Division and therefore the ability to communicate effectively at all levels is essential.

In addition to attractive salaries, we offer valuable financial sector benefits including low-interest mortgage and non-contributory pension. Career prospects throughout the Prudential Corporation are excellent.

Please telephone or send your c.v. to
Caroline Pattison, Personnel Central Services,
Prudential Assurance Co. Ltd., 250 Euston Road,
London NW1 2PQ. Telephone 01-334 6489.

PRUDENTIAL

Mergers & Acquisitions Manager

West Midlands c£35,000 + Car etc.

An expanding Birmingham based engineering plc seeks a Mergers & Acquisitions Manager to head up its planned drive for expansion in the 1990s.

Candidates are likely to be Chartered Accountants who must have experience of deal making and preferably a background in merchant banking or venture capital. Ideally aged between 30 and 35 the position will appeal to those wishing to translate service sector experience into the practical environment of an engineering business.

The Group is long established with a number of successful subsidiaries throughout the UK and can offer real career prospects to the right person *including promotion to Group Director level. There is an attractive remuneration* package together with a fully expensed car and comprehensive relocation package where necessary.

Applicants, male or female, should write with full career and salary details quoting reference B3171/3 to:.

Gary Birney
Mason & Nurse Associates
126 Colmore Row
Birmingham B3 3AP
Tel: 021-236 0066
Fax: 021-200 1637

Offices in London, Birmingham & Egham

Mason & Nurse
Selection & Search

ACQUISITION ANALYSIS AND CONTROL

M4 Corridor c£35,000 + Benefits

Our client, a major international hi-tech company, is a world leader in communications systems. The company is rapidly expanding new operations in Europe and subsequently has a need for an individual to play a senior role in this development.

Key tasks will involve:

- identification of acquisition targets
- pre and post acquisition review
- joint venture negotiations
- establishing finance teams for locally acquired companies and *monitoring business plans*
- establishing and controlling business infrastructures in fresh target countries.

The company is UK based although the nature of the expansion will require frequent trips to Europe. A second language, whilst not essential, is therefore desirable.

The successful candidate will be a qualified accountant, probably in their early 30's, with at least five years' commercial experience. Although acquisitions experience is not a prerequisite, exposure within manufacturing, distribution, or hi-tech industry is essential.

The package includes a high base salary, executive car and all the other benefits associated with a major employer.

Interested applicants should telephone Mark Gilbert ACA on 0272-308818 (8am-7pm), or write to him, enclosing details, at the address below.

ROBERT • WALTERS • ASSOCIATES
RECRUITMENT CONSULTANTS
Centrex House 31-33 Corn Street Bristol BS1 1HT
Telephone: 0272-308818

Hoggett Bowers

Young Financial Controller

Perishable Foods
Thames Valley, ***c £30,000, Car, Benefits***

The client is a £12m subsidiary of a well established and highly profitable German company which has experienced unrivalled success since its inception in the UK three years ago. Its business is the production and distribution of branded dairy products which have gained high acceptance in FMCG markets throughout Britain. Reporting to the managing director, the financial controller will handle all aspects of the finance and administration function whilst assisting in the strategic development of a new production plant. The ability to manage a small team whilst making a significant commercial contribution to a company experiencing rapid growth, is seen as paramount. You *should be a qualified accountant* aged under 35, with a background in a manufacturing environment. You should be able to demonstrate clear evidence of experience in financial planning, cash management and systems development. A flexible and perceptive approach to a fast moving and visibly expanding company is needed and a background in a small or medium sized company is favoured. The opportunity represents an outstanding chance to utilise well developed accounting skills in a wider commercial role.

J.W. Conchie, **Hoggett Bowers plc**, *George V Place, 4 Thames Avenue,*
WINDSOR, *SL4 1QP*, **0753-850851, Fax: 0753-853339.** *Ref: W20020/FT.*

Chief Accountant

International Transport
East Of London, ***c £25,000, Bonus, Car***

The company is a leading international freight forwarder with operations covering air, road and deep-sea transport and a network of offices that is truly global. It is embarking on a major quality of service drive and is well placed to capitalise on opportunities created by the single European market. Rapid growth in a competitive environment has focused attention on the quality of financial management, so this is a key role. Reporting to the financial director, you will control and direct the UK financial accounting team of around twenty staff, which services all UK operations. You will have considerable contact with branch managers, their clients and overseas locations. Aged 30 – early 40's, you must be an experienced, commercially aware accountant with well developed staff management skills. An understanding of an international, multi-site business is preferable and a knowledge of computerised accounting systems essential. This is a challenging opportunity in a dynamic organisation. There is scope to take on company secretarial responsibilities and to travel overseas in due course.

S.P. Spindler, **Hoggett Bowers plc**, *George V Place, 4 Thames Avenue,*
WINDSOR, *SL4 1QP*, **0753-850851, Fax: 0753-853339.** *Ref: W11100/FT.*

These positions are open to male or female candidates. Please send c.v. or telephone for a Personal History Form to the relevant office, quoting the appropriate reference.

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, ST. ALBANS, SHEFFIELD, WINDSOR and EUROPE

COMMERCIAL CONTROLLER

Making the most of business success

c. £30k + Car + Benefits *Maidenhead*

A market leader in the provision of business and customer communications systems, our client is at the very forefront of advanced technology, from TV and Video through to computer graphics and interactive video. Their continued commercial success in a highly competitive field demands the very highest standards of commercial control.

As Commercial Controller, you will play a proactive role in all financial aspects of the business. Your challenge will be the management of the Customer Accounts and Credit Control Departments – your goal will be to ensure an efficient customer/sales interface and the swift processing of customer orders. You will also oversee all significant sales quotations to ensure *they meet acceptable commercial and financial* criteria.

The most advanced commercial computer systems play an important role in continued business success and you will liaise closely with senior *IT professionals, identifying and implementing* enhancements to the current systems.

A fully qualified accountant, this senior post demands a *minimum of four years' post-qualification* commercial experience. Naturally, you will require a background in the management of a sizeable Commercial Department, coupled with good organisational, interpersonal and team motivation skills.

Your ability to fully exploit commercial initiatives will be the key to the future of this expanding organisation. Your contribution will be rewarded with excellent career prospects, together with highly competitive *remuneration* package and blue chip benefits in line with your senior position.

If you have the qualities to succeed in this challenge, please reply to The Confidential Reply Supervisor. Ref. 2306, Kingsbourne Advertising, Kingsbourne House, 229–231 High Holborn, London WC1V 7DA clearly indicating the names of any organisations to whom your application should not be sent.

KINGSBOURNE ADVERTISING

GROUP FINANCIAL CONTROLLER

A key role in a diverse rapidly expanding group
North West £40-45,000 plus car and excellent benefits

This newly created role offers an exceptional career opportunity within the headquarters of a substantial and diversified group whose growth and profits record to date are impressive.

The business is currently driven by a dynamic young Board who have ambitious plans for the 1990's including an aggressive acquisitions policy.

This high profile position will provide a support function to the Group Finance Director and will involve you in every aspect of group activities. Your initial key task will be to review and project manage the implementation of sophisticated management information systems and controls.

You will work closely with senior divisional finance directors on improving systems, raising reporting standards and focusing attention on key performance criteria. Your involvement with group planning and control will be total.

To be considered for this position you will be a qualified accountant of graduate intellect in the age range 35-45. Your track record to date will demonstrate experience of developing effective systems and financial controls, working to tight reporting deadlines and operating at senior management level ideally within an environment experiencing rapid growth and development.

In addition to a high degree of technical competence you must possess excellent communications skills, have the personal presence to establish credibility at all levels and have the drive and commitment necessary to make an effective contribution within a fast moving and highly pressurised environment. Career prospects within the group are considered to *be excellent.*

The salary/benefits package reflects the importance of this appointment and will be negotiable in the range indicated above. A full relocation package is available where appropriate.

Interested applicants should forward a full Curriculum Vitae including details of present salary and daytime telephone number to Mary Byrne at the address below.

Suite 4, 2nd Floor, St James's Buildings, Oxford Street, Manchester, M1 6FQ. Tel: 061-236 1212/061-228 0183.

STARK BROOKS ASSOCIATES
Accountancy Recruitment Consultants
MANCHESTER ◆ LEEDS

ACCOUNTING MANAGER

IPSWICH

MID/LATE 20's
c.£27,500 + CAR
AND EXCEPTIONAL BENEFITS

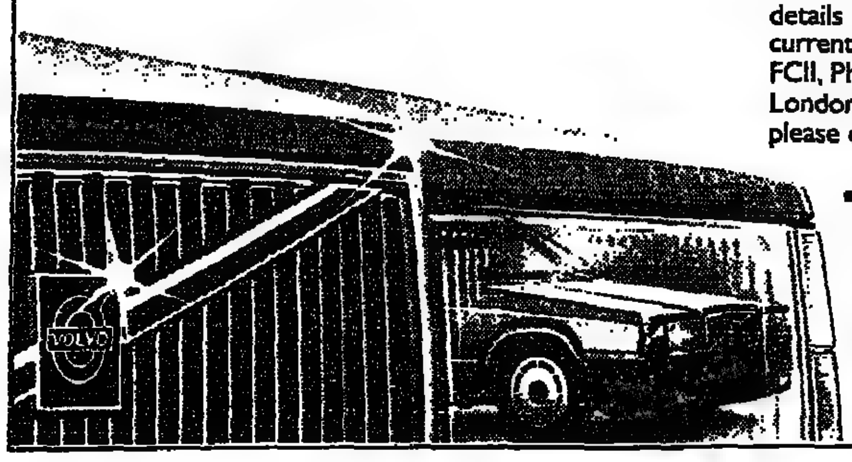
Volvo Concessionaires is an important and highly successful subsidiary of Lex Service plc, the £1.5 billion automotive and electronics distribution group.

The company's impressive growth in a fiercely competitive sector over the last 30 years owes much to a coherent marketing strategy harnessed to strong financial disciplines. Non-financial management, therefore, look to the finance function for a pro-active contribution. This vacancy arises from internal promotion and provides the opportunity to join a young *enthusiastic team in a pivotal role.* The Accounting Manager, with an experienced department of thirteen people, is responsible for financial control and the provision of timely and accurate management information to aid the decision making process. Commercial awareness and an understanding of the business are essential ingredients. The role is therefore complex, demanding high professional standards allied to good communication and team leading skills.

Applicants must be qualified accountants with appropriate experience or the clear potential to develop quickly.

Benefits include a non-contributory pension scheme, private medical insurance, 28 days annual holiday, plus relocation if appropriate.

Write or telephone for an application or send full details (with daytime telephone number and current salary) to our adviser, R A Phillips ACIS, FCII, Phillips & Carpenter, 2–5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours) please quote Ref: 1709/FT



VOLVO

Finance Director

To £40,000 + car + benefits
Witham, Essex

Hugh Baird and Sons is one of the leading malt producers in the UK with a long established reputation for *quality of product and service.* Current turnover is in excess of £30 million with significant plans for future growth. The company is an autonomous subsidiary of Canada Malting Co Ltd, the world's largest producer, which has a substantial presence in Canada and the US.

A commercially minded and business orientated Finance Director is now required to provide key input to business stategy formulation as a member of the senior management team, and to take responsibility for the finance, administration and data processing functions. Reporting to the UK Managing Director the position heads a department of eight staff.

Candidates should be qualified accountants aged 30+ with a high degree of computer literacy and a successful record of financial management, including the development of computerised systems, preferably gained in a processing environment. Experience gained in a similar or related industry would be advantageous, *though not* essential.

Please send a CV outlining your career to date, *including* details of your current salary, quoting reference J/0041, to:

Janet Stockton
Executive Selection Division
Price Waterhouse
***Management* Consultants**
1 London Bridge
London SE1 9QL

Price Waterhouse

Chief Accountant

c£32,000 + Bonus + Car **Essex**

We are acting on behalf of a highly successful company which provides specialist contract services to commerce and industry in the UK. The Company is an established and recognised market leader with an annual turnover approaching £100 million. Having achieved a fourfold increase in revenue over the last decade they are committed to further growth and development in the UK and Europe.

As a result of the expansion and increased sophistication of their business, our client is seeking to recruit a high calibre Chief Accountant who has significant technical and commercial skills, and potential for further development.

Reporting directly to the Finance Director, and forming an integral part of the management team, the Chief Accountant will be responsible for managing the centralised accounting function, overviewing all of its activities, including treasury and tax. In addition, the role will involve project-related work such as systems development and acquisition appraisal.

Prospective candidates must be qualified accountants, preferably chartered, aged 28-35, who can demonstrate consistent success in their careers to date. Strong communication skills, coupled with the ability to work effectively with senior operational management within a multi-location environment, are essential requirements.

For further information please telephone David Head on (0727) 65813 or write to him at Michael Page Finance, Centurion House, 136-142 London Road, St. Albans, Herts AL1 1SA.

MP

Michael Page Finance

International Recruitment Consultants

Senior Tax Advisor

Chelsea Harbour **£Highly Attractive + Car + Shares**

Sovereign Oil & Gas PLC is one of Britain's leading independent oil and gas companies. It is a unique company as last year it became the first British independent to operate a major North Sea development. It is now actively pursuing a programme of expansion in Europe and other international locations.

This dynamic growth has necessitated the requirement for a Senior Tax Advisor to play an increasingly important role in the group's finance function. The position will assume responsibility for all UK and foreign tax matters as well as assisting in economic planning and analysis throughout the group. Candidates will be in their late 20s/mid-30s with an accounting qualification and have a minimum of four years' tax experience gained within an oil industry environment.

You must have commitment, enthusiasm and an incisive, practical mind. A communicative personality is essential given the level of management contact and considerable autonomy of the role.

If you are looking for an exceptional position with considerable scope and responsibility within the oil industry, contact Graham King on 01-831 2000 (evenings/weekends on 01-556 6920), or write to him at Michael Page Taxation, 39-41 Parker Street, London WC2B 5LH.

In the first instance, interested parties will receive a detailed job description and company information pack. Neither names nor details of respondents will be disclosed to the client without express permission.

MP

Michael Page Taxation

International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

FINITE GROUP plc

FINANCE DIRECTOR

Designate

Milton Keynes **£28-30k plus Bonus and Car**

Finite is a fast growing independent multi-faceted company providing business solutions to blue chip clients, bringing together a blend of business planning, marketing, design and information technology skills. To meet projected growth a new position has been created to lead the internal finance activities within the company, with a view to becoming a full board member.

The Finance Director will report directly to the chief executive and be responsible for all finance activities, including the computerised accounting and management information systems, for the group's four companies. With Finite's flexible non-status culture all employees are expected to undertake whatever activities are necessary to meet the business needs.

Candidates should be chartered or certified accountants with at least three years post qualification experience and the ability to grow with the company and be involved in the raising of capital, acquisitions, joint ventures and eventually a market listing.

In addition to basic salary and an annual performance and profit related bonus of up to 25%, benefits include a fully expensed company car, excellent flexible pension scheme arrangements and free BUPA.

Please write, in confidence, quoting reference MK 3003 to Peter Coles.

KPMG Peat Marwick McLintock

Executive Selection and Search

Norfolk House, 499 Silbury Boulevard, Central Milton Keynes MK9 2HA.

Finance Director

FMCG

c.£55K Package + Car + Share Options

NW London

As a result of an internal promotion, the UK flagship division of an international FMCG organisation requires a Finance Director to take on a critical role in the achievement of the division's growth and profitability objectives.

Reporting to the MD, you will provide effective financial control of the division together with advice on strategy, including acquisitions and restructuring, development and management of the annual operating plan and the management of intricate tax and financial issues associated with international operations.

Probably aged over 40, you are a fully qualified accountant of graduate calibre, who currently holds a senior financial role within an FMCG organisation. It is essential that you have demonstrated an ability to provide sound financial leadership and support to senior management across a broad range of business issues. The demands of the position require an individual who is capable of effectively communicating with and influencing colleagues. Direct experience of franchise/licensing relationships would be an added advantage.

Excellent benefits include relocation assistance, if appropriate.

Please write in confidence, enclosing full career and salary details stating how you meet the above requirements to Paul Banfield, Ref 46066, MSL International (UK) Limited, 32 Aybrook Street, London W1M 3JL.

MSL International

EDP Audit Manager

Leisure

West London

to £35,000 + Car + Benefits

WAP

Our client, a widely diversified multinational with a turnover approaching £9 bn, has expanded rapidly in recent years. A dynamic management team coupled with innovative marketing strategies has been effective in producing accelerated growth both organically and through acquisition, leading to substantial business opportunities globally.

Due to increased commitments within the U.K. businesses, there is now a requirement for an EDP Audit Manager. A substantial degree of exposure will be provided to a wide range of corporate activities across numerous business disciplines and functions. This will include working closely with the MIS Director in the development of new systems and assisting the UK Audit team as and when necessary. The department reports directly to the Corporate Head Office, with the role of EDP Audit Manager functionally reporting to the U.K. Senior Audit Manager. This is a demanding role which involves close liaison with senior operational management and will provide extensive exposure to all areas of business.

This opportunity will appeal to a qualified accountant with approximately four years EDP experience, (and extensive exposure to mainframe computer systems), preferably in a commercial environment. The ability to liaise effectively with Senior Managers, External Auditors and to supervise and direct staff is essential.

The rewards include an attractive basic salary, fully expensed car and other large company benefits including share options. Furthermore, substantial career opportunities will arise as the company continues evolving in the U.K. and overseas.

For further information in strict confidence contact Robert Walker on 01-287 6285 (evenings and weekends 01-672 6259). Alternatively, forward a brief resumé to our London office quoting Ref: RW 1094.

WALKER HAMILL

Financial Recruitment Consultants

29-30 Kingly Street
London W1R 5LB

Tel: 01 287 6285
Fax: 01 287 6270

Chief Financial Officer

Walthamstow Building Society
£45K + Car + Mortgage Package
North East London

Walthamstow Building Society operates via a network of branches in the City and throughout North East London and Essex. A policy of rapid expansion has led to it being one of the fastest growing Societies over each of the last three years, and it is intent on a gradual extension of the branch network throughout the Greater London area.

In support of these growth plans, a Chief Financial Officer is sought, of the disposition and calibre to make a very positive and proactive contribution to both strategic development as well as day to day business activity. Notwithstanding the latter, however, immediate priorities will focus upon the development and integration of an IT strategy within the overall corporate objectives: refining and extension of the systems of management reporting; and expansion/development of the treasury function and systems.

Reporting to the Managing Director and responsible for a team of sixteen, the position requires a qualified accountant (ideally ACA). A strong leaning towards IT and previous experience within a services (but by no means necessarily financial) related business are vital. Some treasury exposure could also be useful.

Resilient, results orientated and assertive in the most positive sense, only a credible, impressive and strongly decisive personality is likely to possess the aptitude and experience to enthusiastically seize upon the challenge of a very steep learning curve, and make his/her presence felt in what will increasingly become a sales/marketing driven operation.

The rewards for a successful CFO are a role with great scope and opportunity within a fast growing business, an excellent package and appointment to the main board within two years. If you are personally orientated towards making this positive and active contribution as a potential CFO, either telephone or write to Hamish Davidson quoting reference H/0043FT enclosing a full CV and salary details.

Executive Selection Division
Price Waterhouse
Management Consultants
No. 1 London Bridge
London
SE1 9QL
Tel: 01-334 5833
Fax: 01-403 5265

Price Waterhouse

Get away from the routine......

Project Accountant

SW London

£30,000 + car + benefits

Our client is one of the UK's leading wholesale cash and carry operations, with sales in excess of £1 billion pa. Plans to significantly increase the already impressive growth rate, together with an increased commitment to accounting resources, has led to the creation of a new position within the finance function.

As Project Accountant you will report to the Finance Director. You will be responsible for the development of longer term business planning, and establishing the control of major capital development projects. Your brief will also encompass reviewing and reporting on key management statistics and identifying methods for improving the efficiency of principal operations.

You will be a qualified accountant, in your twenties, with strong communication skills, keen to work in a challenging non-routine role. This position requires a self starter and represents a springboard into a successful expanding company. Opportunities for progression are very good.

Please reply in confidence, giving concise career and salary details and a day-time telephone number, quoting ref 1603, to Richard Holland at the address below. You can telephone for an informal discussion on 01-583 3303 or 01-677 3803 (evenings).

BDO BINDER HAMLYN

BDO Binder Hamlyn Management Consultants
8 St. Bride Street, London EC4A 4DA

Finance Director

Manchester · c.£30K + Bonus + Car

W.H. Smith Electrical Engineers Group Ltd is a £50m turnover member of Staveley Industries plc and a major force in the Electrical and Mechanical Contracting Industry. We undertake projects throughout the UK and overseas for clients in all major industrial and commercial sectors.

We are looking for a qualified accountant with experience of controlling a substantial department responsible for all aspects of financial and management accounting. Your achievements must have included the successful installation or significant development of computerised systems.

Whilst direct experience of the construction industry is not essential, a proven record of controlling project costs, reporting and forecasting will be prerequisites.

We offer you a first class opportunity to develop your career in a stimulating and challenging environment. Salary and benefits will reflect the seniority of this appointment.

Please send your comprehensive C.V. and salary history in complete confidence to:
Paul M. Iverson, Personnel Director,
Staveley Industries plc, 11 Dingwall Road,
Croydon CR9 3DB.

Staveley Industries plc

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Nicholas Baker ext 3351

Elizabeth Arthur ext 3694

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Mark Warner

Finance Director Designate

London c£35,000 + car

Mark Warner Travel is one of the country's leading up-market tour operators. The company has a leading position in the winter ski market and have established a unique position in the summer watersports holiday market to the Mediterranean. Countries of destination include France, Italy, Greece, Turkey, Switzerland and Austria.

Established 15 years ago, Mark Warner remains an independent company with a turnover in the region of £10m. With a rapid growth path the company intends to continue its expansion in the 1990's.

The company now needs a *Finance Director* Designate to join the management team and be *responsible for all aspects of finance*. Reporting to the Managing Director, the Finance Director Designate will be involved in commercial decision-making as well as routine financial control and planning and managing the accounts team. The Finance Director Designate will also be responsible for coordinating the company European resort activities and liaison with all UK and foreign professional advisors.

This is a unique opportunity for a commercially-minded and energetic professional possessing the ability to succeed in a fast moving, dynamic environment. Candidates should be qualified accountants with at least 3 years' post qualification experience, preferably gained in the travel industry, although this is not essential. The ideal candidate will have a bright, outgoing personality, excellent interpersonal skills and the ability to communicate at all levels.

A salary of c£35,000 is offered, together with a company car, private *health scheme and other* benefits.

Please write, in confidence, to our recruitment advisor, Sean Connolly at the address below *quoting reference SHA. 1412.*

Stoy Hayward Associates
MANAGEMENT CONSULTANTS, EXECUTIVE RESOURCING, 8 BAKER STREET, LONDON W1M 1DA FAX No: 01-487 3686
A member of Horwath International

Group Finance Director

Publishing
Central London
c.£40,000

This privately-owned, highly creative, publishing group has an outstanding growth record, with a turnover now in excess of £20m. Current plans include further expansion into the European and US markets.

Reporting to the Group Managing Director, the *Group Finance Director* will be a key member of the Board and will make a major contribution to *the commercial* strategy *of the group*, ensuring long-term development plans are successfully *achieved. In addition to directing the finance* function, you will have significant involvement in the identification and evaluation of potential acquisitions, and the appraisal of new business areas.

You will be responsible for the preparation of business plans, budgets and forecasts and for continually monitoring progress, which require an understanding of the business and the ability to liaise effectively with senior management of all disciplines.

A qualified accountant aged 32-45, you will have managed the finance function in a highly organised multinational company and had exposure to foreign exchange and treasury management.

The remuneration package will include a *performance-related* bonus and the potential *for* equity participation.

Please send full cv, indicating current salary, to Fiona McMillan, *Ref: 3956/FM/FT*, PA Consulting Group, Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060.

PA Consulting Group
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Creating Business Advantage
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Syndicate Accountant

The Lloyd's Market

c£30-35K + car + benefits
Central London

Wendover is an expanding medium-sized Members and Managing Agency operating within the Lloyd's market with managed syndicates in the Marine, Non-Marine, Aviation and Livestock classes.

The Managing Agency is seeking a Syndicate Accountant to take responsibility for one large syndicate with a capacity of approximately £60 million comprising over 2,000 Names, plus two smaller syndicates.

Reporting to the Finance Director, your immediate priorities will involve the logging, review and evaluation of systems with a view to both making recommendations for enhancements and actively participating in their implementation. More generally, in addition *to the typical accounting responsi*bilities which will encompass liaison with professional advisers and joint responsibility for two staff, there will be a continuing emphasis upon systems development and project work, in co-operation with colleagues and the Finance Director.

The sole mandatory requirement for this position is some degree of previous auditing experience, ideally with a panel auditor and with relevant exposure to Lloyd's. PC literacy and man-management experience would also be advantageous. Crucial, *however, is an enthusiastic and adapt*able work style, with well developed inter-personal skills. The capacity to project a positive attitude and promote personal credibility and dialogue with syndicate staff and colleagues is likely to be the key *determinant in measuring on-the-job* performance.

For the individual capable of delivering the above and more, the rewards are a flexible package and the prospect of a Financial Controller appointment in due course.

Alternatively, this position could also be viewed as a natural stepping stone out of the profession.

Individuals wishing to discuss this further should either telephone Hamish Davidson or write quoting reference H/0044FT enclosing a full *CV and salary details.*

Executive Selection Division
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Management Consultants
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Price Waterhouse

SENIOR GROUP FINANCIAL ROLE

Surrey c. £40,000 + Car + Bonus

- BLUE CHIP GROUP
- *HIGH PROFILE ROLE*
- TOP QUALITY FCA'S

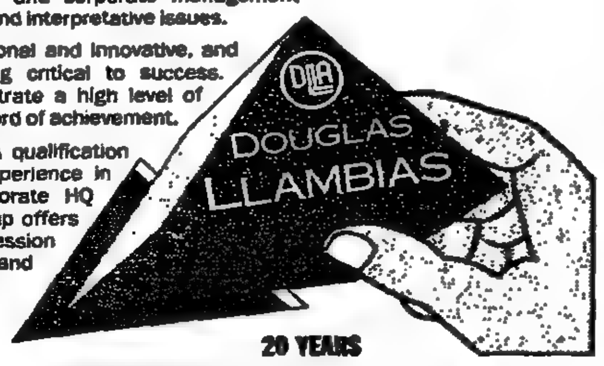
A progressive, highly successful multinational company with a worldwide *portfolio of businesses is seeking to appoint a Senior Group Financial* Manager to strengthen the core Finance Team.

The role entails developing the process of Group reporting and performance analysis. There will be European involvement and considerable liaison with operational and corporate management throughout the company on technical and interpretative issues.

The corporate style is highly professional and innovative, and recognises flair and ability as being critical to success. Candidates should therefore demonstrate a high level of professional skills and an excellent record of achievement.

Specific requirements include an ACA qualification *with a major firm* and significant experience in either the profession or in a corporate HQ environment. The diversity of the Group offers unique opportunities for further progression linked to personal performance and potential.

If interested, please write enclosing a CV to Pippa Curtis at Douglas Llambias Associates, 410 Strand, London WC2R 0NS quoting Ref. 3753.



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FINANCIAL DIRECTOR

Up to £30,000+Car Warwickshire

Our Client has recently, successfully, effected a management buy-out of this £3 million turnover company supplying components and equipment for broadcasting.

With an established product range and prestigious client base, business growth is on target to date. Further business development and expansion is both forecast and planned.

An opportunity has arisen for a qualified, commercially aware, self-motivated individual to be appointed Financial Director. As a senior decision making member of the Board, your brief will be to co-ordinate, plan and direct the financial management of the company, to maximise its contributions to business development, operational control and profit performance.

The wider brief will be to extend the current computerised systems, leading to the production of a DP strategic plan guiding the company towards totally integrated systems, including MRP II.

This is an opportunity to make a significant personal contribution in a progressive and challenging business environment.

Applications are invited from qualified Accountants who have had total responsibility for the financial control of a small/medium sized business. *Knowledge of IT* with especial reference to the development and application of management information systems is essential.

If you feel you have the appropriate skills and experience, please apply in writing, with full career details and salary history, quoting reference B/252/90, to Margaret-Anne Stocker.

KPMG Peat Marwick McLintock
Executive Selection
Peat House, 2 Cornwall Street, Birmingham B3 2DL

Vice-President Finance

ANTWERP, BELGIUM, c.£70,000 + BENEFITS

For a rapidly expanding international organisation, with a worldwide reputation for efficient intermodal transport, with a *turnover of some $150 million in* Europe alone. Within this region, they are now looking for a talented professional aged 35-45 to take on the highly challenging post of Vice-President Finance.

Reporting directly to the company President, Europe, and functionally *to the international headquarters,* you will directly monitor all European financial actions, as well as controlling administrative activities. This will involve the management of approximately 80 staff, cash flow, cost control and MIS; the preparation of monthly and annual balance sheets; *budgeting and the ongoing follow-*up of in-built control systems.

A dynamic individual with impressive leadership qualities, you should ideally combine an economics degree with an MBA qualification. An extensive range of experience in finance at an international level should preferably be supplemented by some internal *auditing experience.*

In return for your abilities, a remuneration and benefits package will be offered which fully reflects the importance of this position. Please write enclosing your curriculum vitae and details of *current remuneration to*
Jef Peeters, Coopers and Lybrand Executive Resourcing Limited,
76 Shoe Lane, London EC4A 3JB,
quoting ref JP105.

Executive Resourcing
Coopers & Lybrand

BUSINESS DEVELOPMENT ACCOUNTANT

North East Based
with European Travel

(General Management Potential)

c£25,000 + Car + Benefits

This is an excellent opportunity for an entrepreneurial accountant to join a *major* UK operating subsidiary of a US Group. The company is a brand leader in the construction, furniture and transport industries. The prime purpose of the position is to guarantee succession into general management in the medium term. Reporting to the Finance Director *and initially* embracing the existing roles within the finance function, the successful applicant will be closely involved in the marketing, export and manufacturing areas with the objective of strengthening management controls and identifying additional *profit* opportunities. Candidates will be graduate, qualified accountants with broad based business experience, ideally gained in a manufacturing environment including management accounts, planning, budgeting, *cash management and taxation.* Applications are invited from highly ambitious, self motivated individuals who probably see their future in a general management role. The right candidate will be willing and eager to mix with customers, free to travel and become *involved* in every aspect of the business from sales through to manufacture. Prospects are excellent within this first class group.

For confidential application form please telephone Lorna Dinning on Tyneside (091) 261 6940 or forward a comprehensive CV with *full* salary details to Northern Recruitment Group, Vine House, Vine Lane, Newcastle upon Tyne NE1 7PU quoting reference CLD1031.

NORTHERN RECRUITMENT GROUP
MANAGEMENT SELECTION

Group Finance Director

Midlands,

Up to £50,000, Benefits

Market leaders in their main manufacturing activity, this £40M turnover plc, has doubled in size in 4 years. This profitable expansion is expected to continue in the 1990's with both organic and acquisitive growth.

An opportunity has now arisen for a talented individual who, reporting to the Chief Executive, will have overall responsibility for the finance function in the Group. The role demands a pragmatic approach to problem solving and the commercial skills required to assist in the overall development of the Group.

You will be a qualified accountant with senior management experience, preferably gained within a manufacturing environment. A thorough knowledge of the technical requirements inherent in managing the finance function of a plc are a pre-requisite, in addition a working knowledge of acquisitions and mergers is desirable. This position represents a stimulating opportunity for a career within a profitable and developing Group.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a *Personal History Form to: T. Hodgins,* Hoggett Bowers plc, *13 Frederick Road, Edgbaston,* BIRMINGHAM, *B15 1JD,* 021-455 7575, Fax: 021-454 2338, *quoting Ref: B26001/FT.*

Hoggett Bowers

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Financial Planning Executive

London

to £33,000 + car & benefits

With assets valued at several billion pounds spread throughout England and Wales, this substantial capital intensive business is now in a period of exciting and challenging commercial development. The recently established Group Financial Planning function is undergoing rapid development and presents a unique career opportunity.

Reporting to, and working closely with the Financial Planning Controller, your responsibilities will be to develop a computer-based corporate financial planning model and evaluate individual business plans submitted by operating subsidiaries. This will require a high profile, liaising with operational management. You will also co-ordinate and develop a five year corporate plan assessing the implications of major business decisions.

You will be a qualified Accountant or an MBA, and will have gained planning experience using computerised modelling techniques within a large group. You will have a high level of commercial awareness together with outstanding analytical skills. Your approach will be assertive and self-assured, demonstrating good communication skills.

Please send full personal and career details in strict confidence to Mark Spickett, Executive Selection Group, Deloitte Haskins & Sells, PO Box 198, 26 Old Bailey, London EC4M 7PL, quoting references 5343/FT on both envelope and letter.

Deloitte Haskins+Sells

EXECUTIVE SELECTION

Corporate Finance

c.£60,000 + Benefits — London Area

Our client is a major UK multinational with turnover in excess of £2 billion and with expanding UK and overseas operations.

A senior appointment is now being made, reporting to the Group Finance Director, to head the treasury function and with responsibility for corporate development. The job-holder will be responsible for the co-ordination and implementation of group development strategies through mergers and acquisitions, including the negotiation, financing and structuring of deals, and for the group's UK and overseas treasury operations with particular reference to strategies and policies, and relationships with banks and financial advisers.

The person sought will have had experience at a senior level in these areas within a comparable organisation. In-depth knowledge of M & A processes and techniques is required, together with experience of corporate treasury in a major PLC.

An attractive salary will be supplemented by a benefits package which will include a performance-related bonus and a fully-expensed car.

If you wish to be considered for this position please write - in confidence - enclosing a CV to Douglas Austin, Ref. 7144, MSL International (UK) Limited, 32 Aybrook Street, London W1M 3JL. Tel: 01-487 5000

MSL International

European Tax

Our client is a major US multinational. Listed in the Fortune 500 and based in South West London, its operations extend throughout the engineering and construction sectors. With 1992 in mind they are now looking to expand the scope of their European tax function with the recruitment of the following two key positions.

European Tax Co-ordinator
circa £40,000 + Car

Reporting to the European Tax Manager, the position has supervision of three members of staff who will be given considerable autonomy within the group to ensure all European tax issues are brought in-house. The successful candidate will bring with them extensive experience of UK compliance matters in addition to a working knowledge of European tax issues. The nature of the role will necessitate extensive travel within Europe.

UK/European Tax Accountant
circa £25,000 + Car

Working closely with the European Tax Co-ordinator, this newly created position offers a young, aspiring tax specialist a unique opportunity to gain exposure to the tax affairs of a major US multinational. The ideal candidate will have already gained a working knowledge of UK corporate tax and will be looking to expand on this within a commercial organisation. Some travel throughout the UK and Europe will be necessary and the salary is flexible for the right individual.

If you feel you have the technical strength and practical flair to make a success of either of these important roles, please contact Graham King on 01-831 2000 (evenings/weekends on 01-556 6920) or write to him at Michael Page Taxation, 39-41 Parker Street, London WC2B 5LH.

In the first instance, interested parties will receive a detailed job description and company information pack. *Strictest confidentiality assured.*

MP

Michael Page Taxation

International Recruitment Consultants

Financial Controller

to £35,000 plus car and benefits

Our client is a leading printer and bookbinder with many blue chip publishers amongst its clients. Turnover is approaching £10m and the business is highly profitable. Although structured as a plc, the company is still private, and a flotation in the next five years is a possibility.

Because of senior management changes, there is now a need to recruit a Financial Controller to head up the financial function. This position reports to the Managing Director, and the FC has a staff of 7.

You should be aged 30-40, and be a qualified accountant. You must have experience of computerised systems within industry and staff management, and be keen to work in a committed environment; exposure to the printing business would be an advantage. Promotion to the Board in the medium term will be available to the right candidate.

If you think you are the self-starter we are seeking, please write to Geoffrey Rutland, FCA, ATII, at the address below, quoting reference 1615, and giving concise career and salary details and a daytime telephone number, or phone him on 01-583 3303 (office) or 01-878 8395 (home).

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Young ACAs – newly qualified to 3 years' PQE

INTERNATIONAL OPERATIONAL REVIEW

with strategic impact worldwide

West Sussex £24 – 30,000 + Car + Overseas Travel

The recent leveraged buy-out leading to the newly independent status of our internationally known client company has created the need for a significant re-evaluation of control standards and systems throughout the world.

The brief, quite simply, is to perform a review of accounting systems throughout all operating divisions worldwide. Reporting to the Director of Internal Audit Europe, the need is for two additional Accountants to complete the team. For those with good audit experience at one of the major firms, few opportunities will offer such an excellent first move into industry.

Features of the role include:

- Significant impact on the financial awareness of a world-leading manufacturing, marketing and distribution organisation.
- International travel over half the year to major European locations including: Cologne, Milan, Oslo, Lisbon, Madrid and Paris.
- High profile start-up working environment.
- Regular interface with non-financial line management.

The importance attached to this function in relation to future company prosperity will ensure that success in these roles will be rewarded by rapid recognition and career progression. This could take the form of promotion within the department, a move into Corporate finance either in the UK or the USA, or a line financial role in any one of the operating units.

To take advantage of these outstanding opportunities to gain international exposure in the pre 1992 period, please contact Denise England on 01-836 9501. Alternatively write to her with full CV quoting Ref: 3675 at Douglas Llambias Associates, FREEPOST, 410 Strand, London WC2R 0BR.

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Finance Manager

Pharmaceuticals

Major British Multinational — **Package to £40,000 + car**

Our Client is a household name, a publicly quoted group, and has been one of the success stories of the 1980's. Their requirement is for a Regional Finance Manager to join their International Regional Headquarters.

Based in the Midlands and reporting to the International Director, the person appointed will be a key member of the management team and be responsible for financial and analytical support. This will also encompass business evaluation, performance monitoring and acquisition analysis. Considerable liaison will be necessary with senior management in the UK and with the subsidiaries and associated companies operating throughout the world. This will necessitate travel to these locations.

Candidates should be qualified accountants, of graduate calibre, probably in their thirties. They should have experience of working at a senior level in an international environment, ideally within the pharmaceutical or fmcg industries. This should include time spent heading the finance function of a line operation.

This very challenging and interesting position has exceptional career development potential.

If you are interested, telephone Stuart Adamson FCA or Roger Webb FCA on 0532 451212 or send your CV, in confidence, quoting reference number 695 to Adamson & Partners Ltd, 10 Lisbon Square, Leeds LS1 4LY. Fax number 0532 420802.

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Executive Search and Selection

Legal Appointments Appears Every Monday

For more information please call Elizabeth Arthur on 01-873 3351

Young Chartered Accountants

West London based — c.£27,500+car

These are exciting opportunities to join a £3.5bn international consumer products group at its Corporate Headquarters. The role carries responsibilities for reviewing operating businesses to ensure that a proper framework of internal controls is in place and is being effectively applied. This activity is an important part of a recently established multi-discipline internal consultancy function and, therefore, provides the prospect, in due course, of engaging in wider-based assignments and of correspondingly varied opportunities for promotion into a corporate or operational role. Typically there will be some 50% travel within the UK and overseas, mainly in Europe. The job, involves exposure to an unusually wide range of business environments and so provides an excellent base for a career in industry. Ref: 1710/FT. Send CV (with current salary and daytime telephone number) or write or, phone for an application form to R A Phillips, ACIS, FCII, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).

Phillips & Carpenter

Selection Consultants

FINANCE DIRECTOR

GOLF FUND PLC

Exciting opportunity in new leisure concept

West Midlands **c£40k + car**

This is an exciting opportunity to join a company on Day One! The Golf Fund has just been set up by a group of forward-thinking individuals led by Colin Snape. Its objective is to invest in golf-related leisure projects, including hotel and conference facilities, throughout Europe, through outright purchase, joint ventures or by design-and-build on greenfield sites. Initially, the Golf Fund has spending power in excess of £50m.

The Golf Fund is to be based in Warwickshire. One of its first priorities is to recruit a high-calibre executive Finance Director to join the small team which will drive the business forward. The Finance Director will have an exceptionally wide-ranging role. He or she will be required to establish effective systems to control an ever-changing and expanding business. This will involve close monitoring of contracts, regular liaison with funding institutions, tight control of cash resources as well as a constant eye on strategic planning. The role will also involve setting up computer-based reporting systems.

Empathy with the leisure industry and experience of contracting are key requirements. However, the successful candidate must also be an effective and commercially-minded qualified accountant, probably a graduate, with the vision and self-motivation to capitalise on the enormous potential of this innovative opportunity.

Please contact Chris Davis or Lawrence Barnett at our Birmingham office, quoting ref B121

ASB

ASB RECRUITMENT LTD

Wellington House, 34 Waterloo Street, Birmingham B2 5TJ. Tel: 021-233 0101 Fax: 021-233 0027

Also at: Leeds, Liverpool, Manchester, Nottingham and Swindon

A Division of ASB Barnett [illegible] Plc

FINANCIAL CONTROLLER

with Director potential

Age 27-35 **£30-35,000**
Sussex Coast **+ car**

Appleyard

Appleyard Group PLC has become one of the most successful motor distributors in the UK. A combination of organic growth, investment in greenfield sites and strategic acquisitions has resulted in turnover expanding to over £400 million. Major capital expenditure has led to the creation of a substantial new development at Hove. With a turnover of £12 million and rapid growth projected, the site is still in its embryonic stage but is set to become a key operation within the Group.

The company now wishes to strengthen the management team by bringing in a high calibre finance professional. Your initial brief will be to bring a more sophisticated approach to the provision of key financial information, to develop management reporting systems, strengthen controls and update the computerised system where necessary. In the longer term, your role will broaden to encompass divisional aspects. As No 2 to the Divisional Finance Director, you will act as an integral member of the Divisional Management team.

You will be a tough-minded qualified accountant, ideally with previous experience gained in retailing, the ability to initiate change and the determination to succeed in this demanding environment. For the right person, opportunities for Directorship within the Group are excellent.

To apply please contact Lawrence Barnett or Jackie [illegible] at our Leeds office quoting ref LD208

ASB

ASB RECRUITMENT LTD

Quebec House, Quebec Street, Leeds LS1 2HA. Tel: 0532-446611 Fax: 0532-446140

Also at: Birmingham, Liverpool, Manchester, Nottingham and Swindon

A Division of ASB Barnett [illegible] Plc

FINANCIAL CONTROLLER

City **c£30,000 + Bonus + Car**

Founded in June 1989, our client, a prestigious international firm of commodity traders has already achieved, through successful trading, a turnover of £120 million. With growing markets and strong profitability a highly entrepreneurial and challenging environment is offered to the successful applicant.

Reporting to the Finance Director and supervising a small team, key tasks include; implementing full control systems for financial reporting and forecasting, and the treasury function. Ideally, you should be qualified with strong interpersonal and communications skills, and have at least three years experience in commerce.

For full details please call Nick Heynen on 01-831 4447, or write enclosing your CV to the address below:

David Chorley ASSOCIATES — ACCOUNTING FOR SUCCESS

Hanover House, 73-74 High Holborn, London WC1V 6LS Tel: 01-831 4447 Fax. 01-430 1435

Touche Ross

THE ENTERTAINMENTS GROUP

Group Tax Manager

Central London **£ Attractive**

Touche Ross has positioned itself, through dynamic organic growth, as a leader in providing taxation advice to the entertainments industry. They have developed an ability to provide a quality tax and financial service which enhances their clients' business performances without inhibiting creative flair.

This expansion, witnessed in both large multinational corporations and individual entertainment clients, has created the need for a senior entertainments group manager. The role is particularly demanding and requires highly developed personal and corporate taxation experience together with commercial acumen and an ability to manage an ambitious group of individuals. The position involves a considerable degree of client contact whose needs cover the following areas:

- Transactionally driven corporate and international tax advice;
- Personal tax and investment advice;
- Raising finance;
- General business and commercial advice;
- International tax planning.

Suitable candidates will have a minimum of 5 years' quality PQE experience. They must have commitment, enthusiasm and an ability to sustain a high work rate. An inquisitive mind, together with an outgoing, communicative personality and the drive and desire to attain partnership status, are also essential. Experience of the entertainments business is an advantage but not a prerequisite.

For further information regarding the above position, contact Chris Nelson, Manager, on 01-831 2000 (evenings/weekends on 01-785 6545) or write to him at

Michael Page Taxation,
39-41 Parker Street,
London WC2B 5LH.

MP

Michael Page Taxation
International Recruitment Consultants

Financial Director

Home Counties

To £50k + bonus

** High-potential Bonus Plan*

** Executive Car*

** Generous Relocation Package*

Our client is the UK subsidiary of a major multi-national. With a turnover in this country of more than £300m from seven high-volume manufacturing units, they now wish to appoint a Financial Director to fill a post created by internal promotion.

Reporting to the Managing Director, you will provide a full financial and management accounting service, supported by a head office staff of around 25, using advanced computer systems. Routine functions include payables, receivables, credit control and fixed assets accounting. A knowledge of American accounting conventions is highly desirable.

The ideal candidate preferably from a manufacturing background will be of graduate calibre, probably in the age range 35 to 45, with qualifications in one of the major accounting disciplines. Personal qualities should include a high degree of mental/physical energy, coupled with proven ability to work constructively as part of a top management team.

The first class range of benefits offered reflects the fact that the Company is part of a major international organisation and includes a high-potential bonus plan, executive car, top-hat pension scheme and medical insurance. In addition there will be a generous relocation package to attract the right candidate.

You will be required to play a major role in the development of the business, with excellent promotion prospects for a successful performer.

Please send your CV with a covering letter in confidence to Sally Chapman, Hays Executive Selection, Silbury Court, 354 Silbury Boulevard, Milton Keynes, MK9 5AP. Telephone: 0908 667458.

HAYS • EXECUTIVE • SELECTION — HES

Hays Executive Selection

Hays

FINANCIAL DIRECTOR (DESIGNATE)

Sheffield ***£28,000 Package + Car***

Our client is a well established privately owned group producing specialised tools for the construction and mining industries. A programme of planned acquisitions coupled with organic growth has seen a rapid expansion in turnover which will be continued in the 1990's.

Reporting to the group's Managing Director and with complete responsibility for the finance function, the Financial Director (Designate) will be a key member of the management team. Strong emphasis is placed on the need for accurate and timely management and financial information, and to achieve this you will have thorough experience of production cost and financial control systems. You will also be responsible for the production of statutory accounts, company secretarial duties, and the appraisal and review of future acquisitions.

The successful candidate is likely to be an ACMA with at least 5 years' post qualification experience within a manufacturing environment, be familiar with PC based spreadsheet reporting and modelling and have some experience of preparing consolidated statutory year end accounts. You will also have the management and interpersonal skills to succeed in an entrepreneurial business environment whilst retaining a shirt-sleeved approach to the day to day routines.

Along with an attractive salary and executive company car there is a profit related bonus scheme, pension, private medical cover, and the potential for equity participation in the future.

To apply in the first instance contact **DAVID LOOTS** on 0532 428898 or 04574 68939 (evenings and weekends), alternatively send your CV in complete confidence to:

Stark Brooks Associates,
47 Upper Basinghall Street, Leeds LS1 5HR.

STARK BROOKS ASSOCIATES
Accountancy Recruitment Consultants

MANCHESTER ◆ LEEDS

Financial Controller

WEST END, c.£37,500

For a newly established Mining Management Company running major projects in West Africa and poised to expand significantly with new transnational joint venture arrangements requiring the raising of $200 to $250 million capital. The Company seeks an experienced Financial Controller to establish an effective finance function and play a key role as a member of the Senior Management team.

Reporting to the Chairman you will be fully responsible for the finance function of the Management Company and for controlling the funds for the mining operation. Early priorities will include setting up management information and accounting systems, visiting and monitoring the operations of overseas subsidiaries and producing cashflow forecasts. You will also be involved with the Chairman in the raising of capital.

This is an excellent opportunity for a qualified accountant, aged at least 30, to join a successful organisation in its early stages and make a significant contribution. You will need to be a self starter with excellent communication skills. You should have experience in financial modelling and computer based accounting systems.

Experience of the mining industry and/or project control would be an advantage but is not essential.

Résumés please, including a day time telephone number, to Robin Alcock, quoting reference RA643, Coopers & Lybrand Executive Resourcing Limited, 76 Shoe Lane, London EC4A 3JB.

Executive Resourcing — Coopers & Lybrand

Financial Controller

Group Technology

£40 — £50,000 plus Banking Benefits

One of the largest and most powerful of the British banking and financial services groups has created a new position within its Information Technology division. The group operates worldwide and currently spends approximately £100 million per annum in this area.

This is seen as a key appointment, designed to assist senior management in managing and controlling financial resources and in the provision of effective and efficient services to users throughout the organisation. The position will report to the Group Head of Technology.

Applications are invited from qualified accountants with strong financial control and systems experience in industry. Preference will be for those with a background in large project and cost accounting, with a knowledge of capital expenditure appraisal techniques. In the right hands the role will carry a great deal of influence, and excellent interpersonal skills are a pre-requisite.

Salary is negotiable and a full benefit package will include mortgage subsidy, car and excellent bonus scheme.

Please write in confidence, quoting reference 655/2 and enclosing career details, to Nigel Halsey, Managing Director, at the address below. Telephone 01-495 4446.

The Halsey Consulting Partnership
34 Brook Street, Mayfair, London W1Y 1YA

property division of diverse plc

CORPORATE ACCOUNTING

London W1

to £30,000 + car

Our clients are a dynamic and highly regarded public group with diverse manufacturing subsidiaries throughout the UK. They have a successful property development and investment division which is based at the group's head office.

A qualified accountant is now required to provide a specialised financial management service for the property division, head office and treasury management. He or she will also assist with group reporting and control.

Ideally aged 28-32 with property related experience, you must be able to fit into a stimulating head office environment with a young but well qualified team and be able to supervise junior staff.

Career opportunities within the group are realistic: they are dependent upon your own success. Fringe benefits are equally attractive.

Please write, enclosing a full career/salary history and daytime telephone number, to John Sleigh FCCA *quoting* reference F/889/J.

Group Finance Director

Midlands,

Up to £50,000, Benefits

Market leaders in their main manufacturing activity, this £40M turnover plc, has doubled in size in 4 years. This profitable expansion is expected to continue in the 1990's with both organic and acquisitive growth.

An opportunity has now arisen for a talented individual who, reporting to the Chief Executive, will have overall responsibility for the finance function in the Group. The role demands a pragmatic approach to problem solving and the commercial skills required to assist in the overall development of the Group.

You will be a qualified accountant with senior management experience, preferably gained within a manufacturing environment. A thorough knowledge of the technical requirements inherent in managing the finance function of a plc are a pre-requisite, in addition a working knowledge of acquisitions and mergers is desirable. This position represents a stimulating opportunity for a career within a profitable and developing Group.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a *Personal History Form to: T. Hodgins,* Hoggett Bowers plc, *13 Frederick Road, Edgbaston,* BIRMINGHAM, *B15 1JD,* 021-455 7575, Fax: 021-454 2338, *quoting Ref: B26001/FT.*

Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, ST ALBANS, SHEFFIELD, WINDSOR and EUROPE

Financial Planning Executive

London

to £33,000 + car & benefits

With assets valued at several billion pounds spread throughout England and Wales, this substantial capital intensive business is now in a period of exciting and challenging commercial development. The recently established Group Financial Planning function is undergoing rapid development and presents a unique career opportunity.

Reporting to, and working closely with the Financial Planning Controller, your responsibilities will be to develop a computer-based corporate financial planning model and evaluate individual business plans submitted by operating subsidiaries. This will require a high profile, liaising with operational management. You will also co-ordinate and develop a five year corporate plan assessing the implications of major business decisions.

You will be a qualified Accountant or an MBA, and will have gained planning experience using computerised modelling techniques within a large group. You will have a high level of commercial awareness together with outstanding analytical skills. Your approach will be assertive and self-assured, demonstrating good communication skills.

Please send full personal and career details in strict confidence to Mark Spickett, Executive Selection Group, Deloitte Haskins & Sells, PO Box 198, 26 Old Bailey, London EC4M 7PL, quoting references 5343/FT on both envelope and letter.

Deloitte Haskins+Sells

EXECUTIVE SELECTION

Corporate Finance

c.£60,000 + Benefits — London Area

Our client is a major UK multinational with turnover in excess of £2 billion and with expanding UK and overseas operations.

A senior appointment is now being made, reporting to the Group Finance Director, to head the treasury function and with responsibility for corporate development. The job-holder will be responsible for the co-ordination and implementation of group development strategies through mergers and acquisitions, including the negotiation, financing and structuring of deals, and for the group's UK and overseas treasury operations with particular reference to strategies and policies, and relationships with banks and financial advisers.

The person sought will have had experience at a senior level in these areas within a comparable organisation. In-depth knowledge of M & A processes and techniques is required, together with experience of corporate treasury in a major PLC.

An attractive salary will be supplemented by a benefits package which will include a performance-related bonus and a fully-expensed car.

If you wish to be considered for this position please write - in confidence - enclosing a CV to Douglas Austin, Ref. 7144, MSL International (UK) Limited, 32 Aybrook Street, London W1M 3JL. Tel: 01-487 5000

MSL International

European Tax

Our client is a major US multinational. Listed in the Fortune 500 and based in South West London, its operations extend throughout the engineering and construction sectors. With 1992 in mind they are now looking to expand the scope of their European tax function with the recruitment of the following two key positions.

European Tax Co-ordinator
circa £40,000 + Car

Reporting to the European Tax Manager, the position has supervision of three members of staff who will be given considerable autonomy within the group to ensure all European tax issues are brought in-house. The successful candidate will bring with them extensive experience of UK compliance matters in addition to a working knowledge of European tax issues. The nature of the role will necessitate extensive travel within Europe.

UK/European Tax Accountant
circa £25,000 + Car

Working closely with the European Tax Co-ordinator, this newly created position offers a young, aspiring tax specialist a unique opportunity to gain exposure to the tax affairs of a major US multinational. The ideal candidate will have already gained a working knowledge of UK corporate tax and will be looking to expand on this within a commercial organisation. Some travel throughout the UK and Europe will be necessary and the salary is flexible for the right individual.

If you feel you have the technical strength and practical flair to make a success of either of these important roles, please contact Graham King on 01-831 2000 (evenings/weekends on 01-556 6920) or write to him at Michael Page Taxation, 39-41 Parker Street, London WC2B 5LH.

In the first instance, interested parties will receive a detailed job description and company information pack. *Strictest confidentiality assured.*

MP

Michael Page Taxation

International Recruitment Consultants

Financial Controller

Chatham

to £35,000 plus car and benefits

Our client is a leading printer and bookbinder with many blue chip publishers amongst its clients. Turnover is approaching £10m and the business is highly profitable. Although structured as a plc, the company is still private, and a flotation in the next five years is a possibility.

Because of senior management changes, there is now a need to recruit a Financial Controller to head up the financial function. This position reports *to the Managing Director, and the FC has a staff of 7.*

You should be aged 30-40, and be a qualified accountant. You must have experience of computerised systems within industry and staff management, and be keen to work in a committed environment; exposure to the printing business would be an advantage. Promotion to the Board in the medium term will be available to the right candidate.

If you think you are the self-starter we are seeking, please write to Geoffrey Rutland, FCA, ATII, at the address below, quoting reference 1615, and giving concise career and salary details and a daytime telephone number, or phone him on 01-583 3303 (office) or 01-878 8395 (home).

BDO BINDER HAMLYN

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Management Consultants
8 St. Bride Street
London EC4A 4DA

Young ACAs – newly qualified to 3 years' PQE

INTERNATIONAL OPERATIONAL REVIEW

with strategic impact worldwide

West Sussex £24 – 30,000 + Car + Overseas Travel

The recent leveraged buy-out leading to the newly independent status of our internationally known client company has created the need for a significant re-evaluation of control standards and systems throughout the world.

The brief, quite simply, is to perform a review of accounting systems throughout all operating divisions worldwide. Reporting to the Director of Internal Audit Europe, the need is for two additional Accountants to complete the team. For those with good audit experience at one of the major firms, few opportunities will offer such an excellent first move into industry.

Features of the role include:

- Significant impact on the financial awareness of a world-leading manufacturing, marketing and distribution organisation.
- International travel over half the year to major European locations including: Cologne, Milan, Oslo, Lisbon, Madrid and Paris.
- High profile start-up working environment.
- Regular interface with non-financial line management.

The importance attached to this function in relation to future company prosperity will ensure that success in these roles will be rewarded by rapid recognition and career progression. This could take the form of promotion within the department, a move into Corporate finance either in the UK or the USA, or a line financial role in any one of the operating units.

To take advantage of these outstanding opportunities to gain international exposure in the pre 1992 period, please contact Denise England on 01-836 9501. Alternatively write to her with full CV quoting Ref: 3675 at Douglas Llambias Associates, FREEPOST, 410 Strand, London WC2R 0BR.

20 YEARS

PUTTING THE RIGHT PEOPLE IN THE RIGHT JOBS

Douglas Llambias Associates, FREEPOST, 410 Strand, London WC2R 0BR.

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Finance Manager

Pharmaceuticals

Major British Multinational — **Package to £40,000 + car**

Our Client is a household name, a publicly quoted group, and has been one of the success stories of the 1980's. Their requirement is for a Regional Finance Manager to join their International Regional Headquarters.

Based in the Midlands and reporting to the International Director, the person appointed will be a key member of the management team and be responsible for financial and analytical support. This will also encompass business evaluation, performance monitoring and acquisition analysis. Considerable liaison will be necessary with senior management in the UK and with the subsidiaries and associated companies operating throughout the world. This will necessitate travel to these locations.

Candidates should be qualified accountants, of graduate calibre, probably in their thirties. They should have experience of working at a senior level in an international environment, ideally within the pharmaceutical or fmcg industries. This should include time spent heading the finance function of a line operation.

This very challenging and interesting position has exceptional career development potential.

If you are interested, telephone Stuart Adamson FCA or Roger Webb FCA on 0532 451212 or send your CV, in confidence, quoting reference number 695 to Adamson & Partners Ltd, 10 Lisbon Square, Leeds LS1 4LY. Fax number 0532 420802.

ADAMSON & PARTNERS LTD.

Executive Search and Selection

Legal Appointments Appears Every Monday

For more information please call Elizabeth Arthur on 01-873 3351

Young Chartered Accountants

West London based — c.£27,500+car

These are exciting opportunities to join a £3.5bn international consumer products group at its Corporate Headquarters. The role carries responsibilities for reviewing operating businesses to ensure that a proper framework of internal controls is in place and is being effectively applied. This activity is an important part of a recently established multi-discipline internal consultancy function and, therefore, provides the prospect, in due course, of engaging in wider-based assignments and of correspondingly varied opportunities for promotion into a corporate or operational role. Typically there will be some 50% travel within the UK and overseas, mainly in Europe. The job, involves exposure to an unusually wide range of business environments and so provides an excellent base for a career in industry. Ref: 1710/FT. Send CV (with current salary and daytime telephone number) or write or, phone for an application form to R A Phillips, ACIS, FCII, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).

Phillips & Carpenter

Selection Consultants

FINANCE DIRECTOR

Successful High Technology Company
~ Home Counties to £40,000 + car + benefits ~

With a turnover in excess of £27 million, we are the highly successful UK arm of the international Landis & Gyr Group - Europe's largest manufacturer of sophisticated building automation systems and controls.

As part of our commitment to a customer-orientated philosophy, we have re-organised our operations into two major divisions, thereby creating this opportunity for an experienced Financial Director.

Working closely with the Managing Director, you will play a key role in the control of one of these divisions, implementing the financial strategies vital to its future success and growth. This will involve you not only in financial management issues, but also in strategic planning decisions, systems enhancement and team building.

A qualified accountant, your strong financial skills must be supported by a results orientated approach and excellent communication skills. A high level of commercial accumen is essential and experience within an environment dedicated to large-scale contracting would be a distinct advantage.

For an informal discussion, please contact our head of finance, Martin Johnston on 01-992 0191.

Alternatively write with full career details to Francis Simpkins, Personnel Manager, Landis & Gyr Building Control (UK) Ltd., Victoria Road, North Acton, London W3 6XS.

LANDIS & GYR

DIVISIONAL FINANCIAL CONTROLLER

Age 25-30
North East

£25-30,000 + car

Appleyard

Our client is a £110m turnover Division of this leading national motor retailing and services Group. It was acquired in 1988 as part of an ongoing strategy of growth and development, extending the Group's product range and geographical coverage and ensuring its position as a dominant force in the industry. Since then the Division has put up a strong performance and has itself grown by the addition of three more dealerships.

This continued expansion has resulted in the creation of a new position for a young *qualified accountant to report to the Divisional Finance Director.* Through the existing team of experienced accountants, you will be responsible for ensuring the smooth flow of quality financial information, providing the basis for management planning and decision-making, which is so essential within this fast-moving business. You will also be expected to use your technical expertise in the preparation of monthly consolidated accounts, together with the control of divisional administration and accounts. In the longer term, you will play an important part in the development of more sophisticated computer systems.

You will need to be a bright self-starter with broad technical skills, preferably gained in a retailing environment. It is also important for you to have a strong professional presence, combined with a lively but mature personality and the ability to motivate your team to achieve results. Prospects within the Group are excellent.

To apply please contact Lawrence Barnett or Jackie Hardisty at our Leeds office, quoting ref LD 206.

ASB
ASB RECRUITMENT LTD

Quebec House, Quebec Street,
Leeds LS1 2HA. Tel: 0532-446611
Fax: 0532-446140

Also at: Birmingham, Liverpool, Manchester, Nottingham and Swindon

A Division of ASB Barnett Kleinings Plc

THE IPP GROUP

The IPP Group, one of the UK's leaders in the provision of products and services for office environments is enthusiastically meeting the challenge of the '90's with further development plans for the European market. Promotions have created two first class opportunities in positions which play an important role in The Group's continuing success.

FINANCIAL CONTROLLER

Reporting to the Managing Director, the Financial Controller will be responsible for all aspects of the Finance function. In addition, the successful candidate will be expected to make a significant management contriubtion to the continuing success of the business.

Candidates, likely to be around 30, should be qualified accountants who can demonstrate the combination of "hands on" skills together with the commercial acumen and strength of personality required to succeed in our rapidly expanding Group.

FINANCIAL ACCOUNTANT

Reporting to the Financial Controller, the successful candidate will be responsible for preparing timely and accurate financial information for the Group with particular reference to budgets, cash flow forecasts and statutory accounts.

Applicants, aged around mid-20's, should be part qualified with the expectancy of gaining full qualification within 2 years.

For both of these positions, we offer excellent salaries and other benefits.

Please apply in the first instance to Verity Cunningham on 01-831 3161 for an Application Form.

As a large multi-site organisation, our client, is currently undergoing a period of considerable change and now seeks the following personnel within their Financial Accounting Department.

Debtors Controller

Central London — *package c. £24,000 p.a.*

A qualified accountant is required to be responsible for the control of invoices rendered exceeding £1,000m p.a.

Heading a team of six, your varied brief will include the establishment and control of an accounting system of internal transfer charges and the initiation of a corporate framework for charging policies, including overheads and profit margins.

This is clearly a high profile role, enabling you to influence overall policy and procedures throughout the finance department and one which will provide siginificant challenge and plenty of scope for career development.

You'll therefore need considerable experience in sizeable credit control within a large commercial organisation, as well as a strong personality.

Financial Reporting Accountant

Central London — *package c. £24,000 p.a.*

Your primary role will be the detailed preparation of internal monthly financial accounts and consolidated group accounts for the quarter, half year and annually. You'll also be heavily involved with the installation of a new General Ledger system this year and, along with your team of three, you'll need to maintain close contacts with all sections of the department.

You will need to be a qualified accountant and have experience in a large organisation in a group accounting mode. In return for your initiative and communications skills, the benefits package and career prospects are both excellent.

Candidates for both posts should send a CV, giving details of present salary and conditions, to Michael Swaine at the address below. Please state clearly any companies to which your CV should not be forwarded as replies will be sent direct to our client for consideration.

B&B
B&B Selection
197 Knightsbridge, London SW7 1RP.

ACCOUNTING MANAGER

A strategic role with a progressive market leader

Cheltenham to £26,000 + 2 litre car

MAJOR GROWTH and high profitability are the results of a £multi million capital investment programme made by this market leading manufacturer, part of a progressive, publicly quoted British group. To help sustain the impressive success record within this demanding and fast changing environment, a professional Accounting Manager is required.

Reporting to the Financial Director, you will control the activities of a team in excess of 20 with responsibility for Cost, Financial and Management accounting as well as Credit Control and Salaries. Financial performance reporting – both internally and to the parent company – is an important feature of the role, as is close liaison with senior management in other disciplines.

Fully qualified (ideally CIMA), you will have a manufacturing background and relish working under pressure; as well as being proactive, you will need to demonstrate an aptitude for managing change and challenging established practices. In addition, you will be an accomplished manager with well developed interpersonal and communication skills.

This is a unique and challenging opportunity to work in a market led, high performance manufacturing company, offering unrivalled commercial experience to the high flying professional Accountant.

To apply, send your cv, highlighting your record of achievement, to Peter Bedford quoting ref. 3983/PB/FT, PA Consulting Group, St Brandon's House, 29 Great George Street, Bristol BS1 5QT, or alternatively telephone (0272) 298204 for an application form.

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HUMAN RESOURCES
Creating Business Advantage
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Finance Director

To £45,000 + car + benefits Cheshire

Our client, a private company using advanced technology in the manufacture of pharmaceutical products, has completed a programme of rapid expansion during the last 3 years. The successful growth, which has involved both turnover and staffing levels increasing sixfold, has been based on substantial capital expenditure plus a heavy commitment to product development and technical excellence.

A strong, experienced Finance Director is required to join the ambitious and dedicated board that is planning the next phase of aggressive expansion of the business.

The Finance Director's overall objective will be the development of a fully effective finance function to act as the platform for strict management of the company's financial affairs and dynamic participation in its business direction and commercial policies.

Responsibilities will include computer based management and financial control systems, financial direction and guidance, negotiation and financial management of contracts, treasury, negotiation with Bankers and company secretarial functions.

Aged 35-45, you will be a qualified accountant with previous senior level experience gained in a manufacturing/pharmaceutical environment. In addition to high technical skills, including negotiating expertise and innovative commercial acumen, you will have the intellect, vision and presence to function effectively in a fast-moving environment.

This is an opportunity to contribute at the heart of strategic decision making and will offer scope for further career development.

Applicants currently earning less than £35,000 and without in-depth experience in all the above areas are unlikely to be considered.

Please reply in confidence giving concise career, salary and personal details to Confidential Reply Service, Ref APF/883, Austin Knight, 98 King Street, Manchester M2 4WD, listing any companies in which you are not interested in a covering letter.

Austin Knight

FINANCIAL DIRECTOR

A40/M40 Corridor — **£30K + exec car**

Our client, an autonomous division of an acquisitive PLC which is poised for rapid growth, manufactures a unique range of printed products for the sports, leisure and fashion industries which are sold both in the UK and overseas. Owing to an internal promotion they seek an ambitious **Financial Director** to continue the development of financial and costing systems and to contribute significantly to the growth of the business.

The appointee will be a qualified accountant, preferably CMA, aged 27-35 with sound financial and costing experience gained within a manufacturing environment. Personal characteristics sought include drive, enthusiasm, the ability to communicate at all levels and a sense of humour.

The rewards include a salary package of £30K including bonus, a fully-expensed executive car together with the usual fringe benefits.

For further details write in confidence with cv to Peter Page, Senior Consultant, 3i Consultants Limited, 3 The Billings, Walnut Tree Close, Guildford, Surrey GU1 4UL, quoting ref: PP/882.

3i Consultants Ltd

3i A WEALTH OF EXPERIENCE

CORNWELL PARKER
fabrics · furniture

HIGH WYCOMBE - BUCKS — **c.£25k PACKAGE + CAR**

GROUP PROJECT ACCOUNTANT

Cornwell Parker PLC is a successful Group of furnishing companies with strong brand names including: Parker Knoll, Nathan Furniture, G P & J Baker and Monkwell Fabrics. The Groups recent growth necessitates further strenghtening of the financial control function, which gives rise to a new position of Group Project Accountant.

The job is essentially an investigative, ad hoc, project role, much of which will be instigated by the Group Chairman. It will involve working with alllevels of management in our trading divisions, towards achieveing improved efficiency and profitability. It will also involve investigative work on acquisitions and post acquisitions and post acquistion *reorganisation.*

The successful candidate will be a qualified accountant, who has a demonstrable track record of commercial achievements, possesing strong well developed communication skills and be a self starter capable of quickly identifying the real problems and able to develop and implement practical solutions.

Applications in writing please, quoting current salary, to Mr D Simpson FCMA, Group Financial Controller, Cornwell Parker PLC P O Box 22, Frogmoor, High Wycombe, Bucks. HP13 5DJ.

ACCOUNTANT

Attractive salary +Car+Benefits

Young Chartered Accountant required by expanding/established Group for their Porsche and Mercedes dealerships on the South Coast. This challenging position would ideally suit a young qualified Accountant who has already gained a couple of years experience within a commercial environment and who is now keen to prove his/her commercial ability.

Initially, responsibilities will include the production of all financial and management information from the fully integrated computerised accounts and involvement in the commercial decision making of the organisation.

However, the successful applicant will be provided with a career path which should lead to senior responsibilities at Group level, involving the use of a wider range of financial skills.

Full C.V. to:
J. McFarlane CA FCMA ATII – Endeavour Holdings Ltd.
Victoria Road, Portslade, Brighton, Sussex BN41 1YW

Chief Accountant

Selby

ABM-Sturge division, whose parent company is Rhone-Poulenc, manufactures at four sites in the U.K. The division is divided into three business groups—*Acidulants, Speciality Chemicals and Brewing and Food.*

Reporting to the Financial Director, but with a strong functional line to the Business Director, we are seeking a Chief Accountant who will head up the Accounts Department of the Acidulants Business Group. This will entail providing a full financial and management accounting service to the group. Additional responsibilities will include full control of the computerised information system, taxation and insurance. There is an on site support staff of ten.

Candidates, aged 30 upwards, should be educated to degree standard and have at least three years' post qualification, preferably ACA, experience.

Ideally, you will have gained initial experience in a large accounting firm and have subsequently worked in a Chemical, Processing or Manufacturing Industry. Knowledge of statutory accounts, SSAP's, corporate taxation and financial evaluation techniques is essential. Prospects for advancement within the parent company are excellent.

In return, we offer a highly competitive basic salary, company car and a comprehensive benefits package. Full assistance with relocation to the Selby area will be given, if necessary.

Applicants should send their c.v. to: Mr A F Pritchard, Divisional Personnel Manager, ABM-Sturge Division, Poleacre Lane, Woodley, Stockport, Cheshire, SK6 1PQ. (Tel: 061-430 4391)

Financial Director Designate

North London — Remuneration package to £40,000

Household name fmcg plc, part of international group, seeks Controller/Secretary who will be responsible to the Managing Director. This is a classic role in a profit-oriented structure, with a balance between corporate discipline and personal contribution to a manageable (£25m t/o) manufacturing and marketing entity.

Candidates must be qualifed accountants aged 35-52 with control experience in a manufacturing/marketing environment including group reporting, practical management information, treasury, costing and computer systems support.

For fuller details write in confidence to W T Agar at JC&P, 104 Marylebone Lane, London, W1M 5FU, demonstrating your relevance clearly and quoting 2311/FT.

John Courtis & Partners
Search and Selection

Finance Director

WEST LONDON, TO £45,000 + EQUITY PARTICIPATION

For a diversified hospitality and leisure services group with a global client base and offices in a number of major centres worldwide. It is involved in planning, design, project management, operation and development consulting in leisure, hotel and entertainment services. The Group is about to consummate an important takeover which will provide a powerful springboard for further expansion.

It now seeks a Finance Director with good commercial skills to assume full responsibility for the financial affairs of the Group. In this "hands-on" role you will report to the Chief Executive and be fully responsible for financial control and accounting for the Group, including budgeting, statutory accounting, the management of currency and interest rate exposures, and tax planning. You will be involved in feasibility analyses of new business initiatives, and the financial control of overseas operations.

A chartered accountant, you should have direct experience of managing the finance function of an expanding and aggressive company. You will need a high degree of commercial acumen and the personality to work effectively with entrepreneurial colleagues. The rewards include the opportunity to make a significant capital gain over the medium term.

Résumés please, quoting reference RA645 to Robin Alcock, Coopers and Lybrand Executive Resourcing Limited, 76 Shoe Lane, London EC4A 3JB.

Executive Resourcing
Coopers & Lybrand

LLOYD MANAGEMENT

Finance & Operations

EUROPEAN CONTROLLER

N Surrey

c£40,000 + car etc

Our clients' products are the leaders in their niche sectors of the over-the-counter pharmaceutical market. The company is marketing-driven and the products have a high profile amongst consumers.

The European Controller works closely with the US based management and is responsible for financial planning and control, liaison with manufacturers and distributors and the administration of the small European head office. There is regular contact with affiliates and branches within Europe as well as the United States.

Ideally aged 35-45, with sound experience gained in a dynamic marketing environment candidates must have proven man-management skills and be prepared to take ultimate responsibility in a small but thriving company.

The package includes a fully expensed car, bonus, a contributory pension scheme and prospects of widening and developing the role when share options could be available.

Please write, enclosing a full career/salary history and daytime telephone number to John Sleigh FCCA quoting reference J/888/F.

THE INDEPENDENT

Group Financial Controller

London **c.£48,000 + benefits**

Since its launch in 1986, The Independent has quickly become an established, authoritative and independent voice in British journalism. To continue its impressive growth, a range of new ideas, products and developments are already in the pipeline. The most imminent of these is the launch of 'The Independent on Sunday' which is expected to lift turnover sharply from its current level of around £60m.

The Group Financial Controller will be fully responsible for the 40 people in the finance functions as well as playing an important role as deputy to the Group Finance Director during this demanding period. The position calls for a high degree of commitment and active involvement in the total business.

The successful candidate will be a qualified accountant, probably aged 35-45, who in addition to their progressive track record of financial management brings a strong personality and can quickly achieve credibility both outside and inside the financial area.

The competitive benefits package will include a company car, profit sharing scheme and low cost pension.

Interested applicants should write enclosing c.v. and daytime telephone number quoting Ref. 391 to Nigel Bates FCA, Whitehead Rice Ltd., 43 Welbeck Street, London W1M 7PG. Tel: 01-637 8736.

Whitehead Rice

MANAGEMENT SELECTION

Financial Planning and Control

INTERNATIONAL TRADE AND FINANCE

My client is part of a major London based multi-national specialising in International Trade and Finance. They manage a wide range of international businesses and have recently embarked on a major expansion and diversification programme.

The Financial Management team is small, comprising the Controller, Management Accountant and this new appointment responsible for financial planning and control.

You will have direct responsibility for a small London staff and functional responsibility for a number of overseas subsidiaries and joint ventures. Key tasks will include budget and forecast preparation, financial reporting, taxation and consolidations.

Pannell Hetherington

CITY: c£27,500pa + CAR

This is a highly demanding hands-on role at the centre of a growth company offering an unusually high level of personal responsibility. Ideally you should be a recently qualified Chartered Accountant with the personal qualities that will single you out for career development in this major international group either in the UK or overseas.

In the first instance please write enclosing a full CV to:
Ian R Hetherington, advisor to the company, at:
Pannell Hetherington Limited,
779 – 781 Finchley Road, London NW11 8DN
Fax: 01 458 7344
or telephone him at home on (078 087) 496.

£25,000

FINANCIAL ACCOUNTANT

WALTON-ON-THAMES SURREY

Our client, a substantial American owned electronics group with a UK turnover in excess of £50m, currently seeks to recruit a Financial Accountant for their UK Head office in Walton.

The successful encumbent will within the first 12 months embrace both Financial and Management accountancy, with the prospect of advancement to a full UK controllership within that period.

The successful encumbent would be 25-32 years old, CIMA/ACCA with two years post qualifying experience and the ambition and drive to be a major player in this blue chip company. Relocation assistance will be available to the successful encumbent.

To arrange an interview with our specialist consultant please telephone

Choice Accountancy

WEYBRIDGE 0932 844466

or send your CV to 188 Station Road, Addlestone, Surrey.

SPECIALISTS IN THE RECRUITMENT OF ACCOUNTANCY STAFF

SOFT COMMODITY FUTURES

Major UK Commodity Broker requires experienced Desk Trader responsible for client business.

Applicant should be experienced in Coffee and Cocoa Futures and some knowledge of Sugar would be useful.

Interested candidates should write enclosing CV to

Box A1429, Financial Times, One Southwark Bridge, London SE1 9HL

CORPORATE TAX MANAGER

Publicly Quoted PLC

£40,000 (flexible) & Car North East

In this newly created appointment, you will develop and implement tax strategies to significantly impact on the financial performance and business growth of this very profitable and acquisitive plc. Reporting to the Board, your prime objective will be to plan and organise the tax affairs of the holding company by guiding and advising the many subsidiaries and consulting with the appointed external professional advisors.

Either qualified accountants or Members of the Institute of Taxation, candidates must have a minimum of three years current experience and a record of practical achievement in corporate taxation, gained either as an advisor in the profession or in a similar role from industry or commerce. Strong business awareness and the ability to lead, influence and communicate concisely at director level is essential. Whilst age is open, this is an outstanding opportunity for a young financial specialist to gain intensive corporate tax experience to ensure their fast track career ambitions are enhanced.

Interested candidates should submit a comprehensive career resumé quoting Ref. 11062/FT. The confidentiality of all approaches is strictly guaranteed.

Varley Walker & Partners,
The Grainger Suite, Dobson House, Regent Centre,
Gosforth, Newcastle-upon-Tyne NE3 3PF.
Tel: 091-284 9155 Fax: 091-284 0998

Varley~Walker
Human Resource Consultants

F.D. DESIGNATE

To £30,000pa+Car Nottingham

National Satellite Services Limited has recently been formed through the purchase of an established division of a major high street name. Specialising in the supply and installation of satellite dishes, the company has some 350 employees, is dynamic, progressive and poised for success and growth.

Reporting to the Managing Director, the F.D. Designate has a fascinating role with "green field" areas inside an existing organisation. The principal responsibilities will be for the financial management of the company – the first task being to set up the necessary systems and procedures from scratch. Company secretarial duties and responsibility for administration, ensures a wide ranging challenge and as a senior member of the management team, a significant contribution to business strategy and development plans will be expected.

Applicants will be qualified Accountants, aged 30–40, with business experience, commercial awareness and a good knowledge of computer systems. Essential personal qualities include energy, enthusiasm, commitment, and the personality and approach to quickly gain credibility at all levels. A sense of humour is mandatory!

This is no ivory tower position. If you are prepared to "get your hands dirty" and tackle everything from the tactical to the strategic, it is a superb opportunity to contribute directly to the company's achievements and ensure that its success is your success.

A starting salary to £30,000pa is offered and the company car is fully expensed. Please write with full career details including current salary and quoting reference L/129/90 to Morag Lloyd.

KPMG Peat Marwick McLintock

Executive Selection
Arlen House, Salisbury Road, Leicester LE1 7QS. Telephone (0533) 471122.

Tozer Vehicle Services Limited

Alfa Romeo DAIHATSU

FINANCE MANAGER

S.E. KENT COAST £20,000+BENEFITS

Tozer Vehicle Services Limited are the Importers and distributors of the Alfa Romeo and Daihatsu range of motor vehicles. Total turnover is approximately £100m and the company employs 300 personnel.

Due to continued expansion, this post has been created to increase the strength of the existing finance department. Working as part of a young and dynamic group management team, the Finance Manager will be involved in decision making at all levels. Main responsibilities include all aspects of treasury and management of the vehicle accounting system.

In return a superb package is offered and exciting prospects assured.

For further information contact:
Accountancy Personnel, 1st Floor, 30 North Street, Ashford, Kent TN24 8JR Tel: 0233 610257

BRITISH AEROSPACE COMMERCIAL AIRCRAFT

FINANCE MANAGER

HATFIELD £28,000-30,000+CAR

An exciting and challenging opportunity has arisen within British Aerospace for a Qualified Accountant who is looking for a position that affords a high level of responsibility. This demanding yet highly rewarding role encompasses budgeting, payroll for in excess of 4,000 employees, the development and training of over 70 finance staff and the implementation of new computer systems to process over 150,000 financial transactions p.a. Self motivation and versatility are essential as are excellent man-management skills. The salary and benefits on offer are comensurate with the seniority of the role and the quality of the successful applicant. REF: SG/BA.

For further information contact:
Accountancy Personnel, 1st Floor, 95 High Street, Barnet EN5 5SN Tel: 01-449 9974

MERCEDES-BENZ GREAT WEST ROAD

RETAIL ACCOUNTANT

WEST LONDON £NEG+GENEROUS PACKAGE

Due to internal promotion Mercedes Benz offer a self-motivated Accountant an exceptional opportunity to develop their potential within a challenging retail environment. The role is very much 'hands on' and involves production of monthly accounts and business plans, variance analysis and supervision of a well staffed department. The position is ideal for an ambitious Finalist/Qualified Accountant with excellent communication and man-management skills and experience in the retail motor business. Generous package includes use of a Mercedes Benz. Ref: FRG/MB.

For further information contact:
Accountancy Personnel, 30-31 The Broadway, Ealing W5 2NP Tel: 01-579 6565

Brain and Brain

FINANCIAL DIRECTOR WITH PARTNERSHIP

READING £28,000+Car Negotiable

With an extensive, established client base, this highly profitable group of young solicitors are lookng to the future. To enable them to implement their radical ideas they need a Financial Director looking for a partnership position.

If you are: qualified, profit orientated, an effective communicator, well-disciplined and an innovative individual with knowledge of solicitors accounts they would be interested in meeting you.

In return they can offer:
* Partnership prospects.
* A high profile influential role.
* Responsibility in the planning of future expansion.

If you feel that a highly visible, decision making position should be your next career move, don't hesitate to make it today.

For further information contact:
Accountancy Personnel, 43 West Street, Reading RG1 1AT Tel: 0734 591761

Accountancy Personnel
You don't just count you matter
Hays
A HAYS PERSONNEL SERVICES LIMITED COMPANY

COMPANY SECRETARY FOR PUBLIC PROPERTY CO.

We are a public property company on the unlisted securities market. A new position is being created for a qualified accountant/company secretary. The post will offer a significant challenge to the right candidate. A salary c.£30,000 P.A. plus benefits is offered.

Duties will include:-

Preparing financial accounts and reports for presentation to the board.
Liaison with managing agents in connection with properties owned by the group.
Developing and implementing annual budgets and controls.
Preparing cash flow forecasts.

Essential requirements are:-

For a qualified accountant with at least five years post qualification experience.
Knowledge of company secretarial work/stock exchange 'yellow book' contents.
Computer literacy with an immediate view to the financial accounts of the company being computerised.

Knowledge of property taxation advantageous. If you have the qualifications and experience we are seeking, please send current CV giving details of age, qualifications, current salary and if possible a day time telephone number to:-

**J. Caplan, FCA, Director, Molyneux Estates PLC,
76 Gloucester Place, London W1H 4DQ
Tel: (01) 487 3401**

No Agencies Please

Jonathan Wren Executive

INVESTMENT ACCOUNTING

To support its continuing growth, the investment management organisation within a major financial services group, with over £8 billion under management, is looking to appoint three individuals in its management accounts department. In all cases, emphasis will be placed on the ability of candidates to work within a proactive environment and as part of a young and energetic team. Opportunities will exist for advancement to senior levels within the group.

QUALIFIED MANAGEMENT ACCOUNTANT — **to £30,000 + Benefits**
Leading a team of 5 staff, this position has responsibilities for providing high quality reporting as well as the timely provision of management information to strategy and board meetings.

QUALIFIED PLANNING ACCOUNTANT — **to £30,000 + Benefits**
The responsibilities of this post include the running of an investment performance measurement service, as well as the provision of reports, business planning and project work.

FINANCIAL ACCOUNTANT — **to £24,000 + Benefits**
This senior officer, not necessarily qualified, will have responsibility for producing the monthly accounts and controlling the expenses system.

For further information, please call Martin Symon on 01-623 1266.

Jonathan Wren
Recruitment Consultants
No. 1 New Street, (off Bishopsgate), London EC2M 4TP
Telephone: 01-623 1266 Fax: 01-626 5258

LLOYD MANAGEMENT

Pensions Investment Accounting

PRUDENTIAL
Portfolio Managers Limited

c£40,000 + car + mortgage

With over £32 billion of funds under management, ***Prudential Portfolio Managers*** is one of the UK's largest institutional investors. In addition to the successful management of the Prudential's own very substantial securities and property investments, it is gaining an increasing share in the competitive market for the management of external segregated pension funds. It enters the 90s intent on developing this further to become a major player on a global basis.

As part of a major initiative to rationalise the investment accounting function, an ambitious and determined qualified accountant, preferably aged under 40, is sought to manage a large accounting team responsible for external clients. Based in London, this is a key role with considerable scope for creativity. Using advanced information systems, the manager will control the accounting for all investment transactions. Maintenance of the integrity of these records is of prime importance in the provision of a top quality service to clients.

This high profile position calls for an individual with the energy and commitment to succeed in managing change in a progressive environment with extensive scope for career development. Essential requirements are an investment accounting and reporting background and strong man-management skills gained in a computerised environment. A very competitive remuneration package will be negotiated.

Please write, enclosing a full career/salary history and daytime telephone number to David Tod BSc FCA quoting reference D/892/F.

Accountant Analysts

£25 - £30K + Car + Benefits — **Bristol**

At Bristol & West, one of the most progressive of the top 10 building societies, we do not take success for granted. We recognise that our managers are only as good as the information at their fingertips and in order to maintain our competitive edge, we have now restructured that part of the Finance team which serves operational management.

Supporting a Divisional General Manager, you will be responsible for providing a wide ranging management accounting and business analysis service. In this proactive role, you will:

- play a creative part in identifying opportunities for the improvement of business performance;
- establish effective performance measurement systems;
- improve budgetary control and forecasting procedures;
- make a major contribution to the further development of cost and management accounting.

You should have a professional accountancy qualification or MBA and a background in management accounting or business analysis. You will be able to demonstrate excellent communication and analytical skills in influencing senior management thinking.

In addition to an excellent salary and a quality car, we are offering an attractive range of benefits which includes concessionary mortgage, profit share and relocation assistance where appropriate.

If you are interested in these new and challenging positions, please write for more information and an application form, quoting reference number 372, to Graham Heywood, Recruitment Manager, Bristol & West Building Society, PO Box 27, Broad Quay, Bristol BS99 7AX.

Bristol & West is an equal opportunities employer.

BRISTOL & WEST
BUILDING SOCIETY

Retired Bank Managers

Recently retired **Branch Bankers** to provide an expanding medium sixed Bank with sound contacts for 100 facilities. Work from home 14-16 hours per week with full back up services. Attractive package to suitable individuals.

Personal details to Box A1425, Financial Times, One Southwark Bridge, London SE1 9HL

FINANCIAL ANALYST – PARIS

A rare opportunity in Financial Analysis for a "European" Management Accountant

Duracell is Europe's No. 1 name in the premium battery market. A successful, independent and expanding Company, our turnover in Europe is in excess of $400 million.

One of the major subsidiaries, operating in a highly competitive local market, is Duracell France, where we now require a Financial Analyst.

This is a key role within our French subsidiary, which employs around 130 staff. Responsibilities will include producing regular month-end reports, analyses and forecasts with commentaries, covering both revenue and costs. The environment is sophisticated and uses the latest computerised reporting systems.

You are likely to be either in the process of

qualifying or a recently qualified Management Accountant, with proven skills in Financial Analysis, from either a UK or continental Europe-based company. An understanding of computerised financial and spreadsheet packages is essential, as is a working knowledge of French.

Salary will be competitive and benefits include full relocation expenses to Paris.

If you are interested in this rare European opportunity, please telephone or write, enclosing your C.V. with details of current salary to:
Kevin Elvidge, Personnel Planning Manager – Europe, Duracell Batteries Ltd., Mallory House, Hazelwick Avenue, Three Bridges, Crawley, West Sussex RH10 1FQ.
Tel: Crawley (0293) 611666.

DURACELL

Financial Control
(Complex Treasury)

Banking Background — **c. £40,000 package**

Joining this rapidly expanding company within one of the UK's leading financial institutions could put your career into a new perspective.

This highly innovative environment utilises a wide range of complex financial instruments, including mortgage backed securities. You will be involved immediately in developing all the necessary accounting aspects and controls from the onset as well as recruiting specialist treasury personnel to develop the department.

Candidates are likely to be mid to late 20's, with first time passes from the 'big 8' with an excellent understanding of solving problems in a small/medium as opposed to a large bank. Salary and package negotiable according to relevance of experience.

Please send a comprehensive CV and details of current remuneration quoting reference (099). Your details will not be divulged to any third party without prior express permission.

HODGSON IMPEY

Peter T. Willingham
Managing Director
HODGSON IMPEY
SEARCH & SELECTION LTD
50 Pall Mall, London SW1Y 5JQ

INTERNATIONALE GESELLSCHAFT SUCHT EINEN HERVORRAGENDEN WIRTSCHAFTSPRÜFER!

Oberhausen, West Germany — **DM 120-160,000 + Car**

Our client is one of Europe's leading fmcg manufacturers and a market leader in its field. Due to rapid international growth it wishes to appoint an exceptional individual to head up the management accounting function of its newly acquired subsidiary in Oberhausen, West Germany.

This is a key senior position within the company's expanding international operations and will carry full responsibility for the establishment of computerised management and financial accounting systems. The successful candidate will be assisting with the launch of an established brand onto the German market and thus commercial awareness is of the utmost importance.

The ideal candidate will be a qualified accountant with some commercial experience and a good working knowledge of German. Strength of character and a high degree of self-confidence are essential in order to make the most of this outstanding opportunity. Excellent communication skills and the ability to liaise effectively at the highest level are also required. The generous salary package reflects the challenging nature of the role.

Interested applicants should telephone Joanna Pearson on 01-437 0464 or write to her, enclosing a full curriculum vitae, at the address below.

ROBERT • WALTERS • ASSOCIATES
RECRUITMENT CONSULTANTS
Queens House 1 Leicester Place London WC2H 7BP
Telephone: 01-437 0464

Group Financial Director

South Midlands — **c£35,000**

A fast moving, medium sized, private Group requires a Group Financial Director who will help steer it to flotation in three years.

The Group manufactures and distributes building products in specialist market sectors. They are profitable and growing organically and by strategic acquisition. There is a young and professional management team.

The task is to provide corporate financial monitoring and control of subsidiaries and a Group treasury function. The Financial Director will also be responsible for day-to-day corporate communications and relationships with institutions and play a leading commercial and financial role in acquisitions.

Candidates aged 35-50 will be well qualified and experienced in a manufacturing environment at Board level. The remuneration will provide a real opportunity for income and capital growth.

Please apply in complete confidence with full Curriculum Vitae and details of current salary quoting reference number GFW43 to:

DBA
SEARCH & SELECTION

Colin Hooker
DBA Associates Limited
Clerks' Well House
19 Britton Street
London EC1M 5NQ

VNG nationwide

FINANCIAL DIRECTOR

£35M turnover, number two in market, IT contract staff and recruitment consultancy requires a Financial Director to take full responsibility for all aspects of the Finance and Accounts function.

Based in Wilmslow, Cheshire and servicing eight other UK offices, this Board level appointment carries a superb remunerative package, including prestige car, substantial profit share and equity participation opportunities.

Only applicants who can contribute positively and dynamically to the strategic and profitable development of the Company into market leader position should apply.

Opportunities like this rarely occur for genuine reasons. For a pack on the Company and to apply for the position please send your CV in strict confidence to V N Groves, Chairman and Managing Director, VNG Group Limited, Manchester Road, Wilmslow, Cheshire or telephone 0625 533434 (office hours) or 0565 3073 (evenings/weekends).

FINANCE MANAGER

ACA/ACMA
AGED AROUND 30

SOUTHERN HAMPSHIRE

SALARY TO £30,000
COMPANY CAR
NON-CONTRIBUTORY PENSION
RELOCATION PACKAGE

A high calibre manager is sought for a pivotal position within the finance function of a leading international company.

Reporting to the Finance Director and motivating a small team, this key role will embrace interpretive monthly and annual reporting both to management and shareholders, budgets and financial plans and ensuring that adequate financial controls are maintained and improved. Set against a background of energetic change and development, you should be able to demonstrate sound intellect, excellent interpersonal skills and a flexible approach. Significant experience in computer systems development within a large company environment would be advantageous.

The Company is a marketing-driven success story with a worldwide reputation in the production and sale of top quality products. With budgeted revenues this year of around £200m, its future plans are ambitious and far reaching: it thus requires a results-orientated accountant with demonstrable potential for promotion.

If you are seeking a first class career move combining both challenge and opportunity, please write briefly enclosing a CV or telephone for a personal history form to Ann Cowell, Manager – Western Home Counties Division, quoting ref. 6150.

RECRUITMENT SELECTION & ADVERTISING
EXECUTIVE CONNECTIONS
43 Eagle Street
London WC1R 4AP Tel: 01-242 8103

Appointments advertising appears every Monday, Wednesday and Thursday

LEGAL APPOINTMENTS .... EVERY MONDAY

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ACCOUNTANCY APPOINTMENTS .... EVERY THURSDAY

Management Accountant

c. £20,000 + car East Anglia

Situated at the hub of the high growth East Anglian economy, this £50m subsidiary of a major food group has experienced rapid change and expansion over the last few years. Its commitment to innovation and new product development, supported by a major capital investment programme and a direct, decentralised management style have positioned the company as a major player in the food business of the 1990s.

You will initially encompass the growth, development and profit orientation of all management information systems within the organisation. Reporting to the Commercial Director and working alongside the factory accountants, this role is expected to develop to cover other areas of the financial control function within the company. Progress towards this objective will be limited only by the ability of the job holder.

In your 20s or early 30s, you will be of graduate calibre and looking for senior level management in a hands-on manufacturing environment. Apart from the personality to establish yourself immediately as a key member of an experienced and integrated team, the right man or woman for this job will be capable of constructively prioritising and scheduling a demanding and changing workload. A systematic and analytical mind combined with a desire to work hard as well as determination to deliver the goods are essential features. Experience of management reporting systems in a FMCG company will be a distinct advantage. Commercial awareness is a prerequisite.

The benefits are those expected of a major organisation and career development is guaranteed for aspiring Management Accountants.

Please write with full CV to Deborah Lummis, Austin Knight Advertising UK Limited, Knightway House, Park Street, London Road, Bagshot, Surrey GU19 5AQ, quoting ref: YS685.

Applications are forwarded to the client concerned therefore companies in which you are not interested should be listed in a covering letter.

Austin Knight

FINANCIAL CONTROLLER

(Director Designate)
Circa £25,000 + car
Textiles, West Midlands

OUR CLIENT is a profitable and privately owned company generating sales of £11M from home and export markets.

Reporting to the Board, this appointment offers full responsibility for all financial operations and controls within the business. There would also be a requirement to further develop a recently implemented management information system within the finance area.

Age 28 to 35, this is an exciting career opportunity leading to director status for an ambitious and commercially aware qualified accountant seeking a "hands on" financial management role. Applicants should ideally have experience in a manufacturing environment together with knowledge of management information systems.

The importance of this position is reflected in the salary and benefits package which includes a company car, private health and pension and life assurance schemes.

Please send full CV which will be forwarded to our client unopened. Address to our Security Manager if listing companies to which it should not be sent. **Ref. B9649/FT, PA Consulting Group,** Advertising and Communications, 6 Highfield Road, Edgbaston, Birmingham B15 3DJ.

PA Consulting Group

Creating Business Advantage

Executive Recruitment · Human Resource Consultancy · Advertising and Communications

FINANCE DIRECTOR
QUALITY FMCG PRODUCTS

Thames Valley **to £40,000 + bonus + car**

This international organisation has earned an enviable reputation for the style and quality of its product range and is a market leader in its field.

The company is growing organically and by acquisition and is seeking to strengthen its management team by the appointment of a commercially orientated Finance Director.

Reporting to the Managing Director, you will be responsible not only for all aspects of accounting, financial management, reporting and control but also for the MIS function. As head of the finance function you will work closely with the heads of sales, marketing and production and be expected to make a significant contribution to the formulation of business strategy.

Probably in your 30's you must be a qualified accountant with good experience of financial management and computer systems gained, preferably, in an international, marketing-led business. The culture of the company will appeal to individuals with the energy and professionalism demanded in a successful and commercially competitive organisation.

Please send a career résumé, with salary history and day-time telephone number, quoting ref 3090, to Neil Cameron, Executive Selection Division.

Touche Ross

5th Floor, 52/54 High Holborn, London WCIV 6RL.
Telephone: 01-353 7361.

GROUP
COMMERCIAL & FINANCIAL DIRECTOR

Bradford area **£50-60,000 + all usual benefits**

Join a successful management team at top level • Take control of a sizeable department of 100+ employees • Make a major contribution to planned expansion.

Our Client: Significant group with a major industry presence • Size parameters, turnover £40m, profit £3m • Now embarked on a three year plan for controlled expansion and diversification.

Your Role: Take control of group financial, data processing and sales office functions• Make a major contribution to development of expansionist strategy and plans • Be prepared for flexibility in responsibilities which could include assuming short-term MD responsibilities • Above all apply strong commercial instincts to day-to-day operations in all areas.

Our Ideal Candidate: Already successful Finance Director with ambitions to move into wider GM roles • Certainly qualified probably FCA • Experienced in full range of financial management and cost accounting disciplines, including exposure to a high volume fast-moving situation • Extensive EDP experience essential • Exposure to MRP and hands-on computing abilities an advantage.

Your Rewards: High basic salary • Results related bonus • Pension & Life Assurance • Fully expensed car • Medicare • Other benefits • Share option.

ACT NOW! Telephone or write in strictest confidence for further information to Neil Macdonald-Smith.

M
MERTON ASSOCIATES
Permanent House, The Headrow, Leeds LS1 8DF
Executive Search and Management Consultants
Telephone: (0532) 432777 Fax: (0532) 460088

HEAD OF PLANNING

Surrey £30,000 – £35,000 + Car + Relocation

This newly created appointment gives responsibility for the development of a business planning function within an autonomous subsidiary of a blue chip group. The company is engaged in the manufacture, marketing and distribution of consumer goods and has a turnover of £500m.

The position is high profile in nature and will embrace the evaluation of capital projects, acquisition studies and business plans together with the coordination of budgets, forecasts and financial analysis. Strategic modelling and a variety of ad hoc assignments will complement this dynamic role.

Applications are invited from qualified accountants, probably aged 29-36, who can satisfy the following criteria: proficiency in financial modelling techniques and PC applications; experience of planning, budgeting and forecasting together with related management accounting experience involving support of operational and commercial management; outstanding interpersonal skills and large company exposure.

This first class vacancy is both demanding and challenging and offers considerable scope for continued career development in an organisation which is enjoying profitable organic growth.

For further information please contact **Malcolm J. Hudson.**

HUDSON SHRIBMAN
VERNON HSE·SICILIAN AVE·LONDON WC1A 2QH·TEL: 01-831 2323
FINANCIAL RECRUITMENT

Financial Controller

North London c. £27,500 + car and benefits

Our client is a leading producer of high quality non-ferrous wire, with a turnover in excess of £25 million. They are part of a growing international group, well established and with a high reputation for quality and delivery.

They now seek a first class Financial Controller, with board potential to join the management team.

- You would report to the Managing Director and have total responsibility for the finance function.
- You would act as Company Secretary with responsibility for property, insurance, employment, pensions, and some legal matters.
- You would also be required to develop and enhance existing management support systems and contribute to the commercial management of the business.

We require an experienced, qualified accountant (CA, CCA or CIMA), aged around thirty, who has been exposed to an industrial environment. You must be innovative, thorough and commercial.

This is a designate post offering the opportunity to become the Finance Director of a medium sized manufacturing company within a dynamic international group.

Write in confidence quoting reference **SR104 to John Cornish, MDS The People Business, 2-3 Newport Street, Swindon, Wiltshire SN1 3DX.**

MDS The People Business.

Finance Director

North London **£ Neg + Attractive Benefits**

Our client is the largest and most effective company of its type in the world.

It offers a service aimed at increasing its clients' sales and customer loyalty and has been particularly successful in penetrating the European, North American and Far East markets. Having grown to worldwide status, it now requires a Finance Director to be based in the UK.

They are seeking a dynamic FCA, preferably aged 35 to 45, with a successful track record in an FMCG environment. A comprehensive knowledge of inventory control, as well as a strong commercial grasp of both operational and financial management are prerequisites for this challenging role. The successful candidate will be required to integrate quickly with the existing strong, action orientated management team and to spend up to a third of his/her time in the USA and other overseas locations.

If you feel that you have the stature and skills to fill this important position, send a full CV including a recent photograph and current salary details to: Steven Hulse, Portland International Management Consultants Limited, Lloyds House, 18 Lloyd Street, Manchester M2 5WA.

Portland International
Management Consultants Limited
A MEMBER OF DOCTUS PLC

FINANCE DIRECTOR

SE Essex/M25 **£30-35k + car**

FLS is a highly successful telecommunication and computer maintenance company. It has a blue-chip customer base. Turnover and profits are on a strong growth curve. Flotation is envisaged within 3-5 years.

As its first FD you will be a qualified accountant with financial and management accounting experience outside the profession; and, more important, you will be someone who can enjoy the intense dynamism and esprit of a small company set on staying leader in its field.

The package includes a salary of £30k, a performance-related bonus that could add £5k, and a car; plus the possibility of equity at a future point.

For further details please telephone 0483 300938 (24 hrs) or write, in confidence, with cv to: Peter P Taaffe Finn, 3i Consultants Limited, 3 The Billings, Walnut Tree Close, Guildford, Surrey GU1 4UL quoting ref TF/891.

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